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- Executive Development Plans
- Shift Differentials Differ
- Employees Look at Merit Rating
- Executive Health Programs

NATIONAL INDUSTRIAL CONFERENCE BOARD

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• In the Record •

Developing Executives Successfully

Even the fanciest multicolored road map won't help the driver who doesn't know where he is going. So with that hallmark of executive development programs, the many hued replacement chart. It's a help, but only when the company knows how to use it. Executive development, the experts tell us, is a two-phase proposition. First, and most important, it means guiding executives to function more efficiently and productively in their present positions. Second, it prepares executives to move up the ladder into more responsible positions. The chart simply shows the progress the company is making in carrying out these objectives.

All this is explained more fully in the story starting on the next page, which examines the basis of a successful executive development program and looks into what a company needs to do to insure a continuing supply of top personnel.

• • •

The Employee Rates Merit Rating

Merit rating, to be utilized to the advantage of both the company and the employee, must be scrupulously fair. In its concern over this problem, management has experimented with various types of mathematical rating systems, and sought the cooperation of department heads in annual reviews of their particular program. This approach has one drawback, according to some companies. It skips over the man who is most vitally affected—the employee.

Ditto, Inc. of Chicago met with an enthusiastic response when it asked its employees to "rate" their rating program. The company's present plan was described as both fair and helpful by the workers.

Comparisons of the old and new rating plans, hints on rating techniques, and "follow-up interviews" are only a few of the aspects discussed in "Employees View Merit Rating," beginning on page 225.

• • •

The Executive Meets the Doctor

Left to his own devices, an executive may simply put off—for all kinds of reasons—the regular checkups that can often detect trouble in the early stages when it is easiest to treat. These men are too valuable, companies argue, to let them take unnecessary risks. An executive health program, either voluntary or mandatory, may be the answer.

"Physical Examinations for Executives" on page 231 is based on a survey of the health programs of 120 companies. Such questions as the choice of the examiner, extent of the examination, disclosure of results and who is included in the plan, are discussed, along with many other aspects of executive health programs.

• • •

When the Temperature Hits 90° Plus

With the hot breath of summer just around the corner, Mark Twain's wry comment comes to mind: "Everybody talks about the weather, but no one does anything about it." In 1954 though, there is at least one modification. When the thermometer gets to the shattering point, some companies *do* something—they close their doors and send their employees home to cope with the heat in their own fashion.

Who closes early, who doesn't, as well as a variety of formulas used by companies that shut up shop when it's too hot, all appear in the story on page 228.

• • •

The Lobster Shift

The lobster is a nocturnal creature—preferring the dark to the sunshine hours. But most people don't go along with the lobster's preference; at least not when it comes to working. And when companies need employees for off-hours (often called lobster) shifts, a solid cash premium is generally involved to make the whole thing more palatable.

"How Shift Differentials Differ" surveys the shift premium practices of 374 companies. The method of computing the premium as well as the amount of the payment for second and third shifts vary tremendously both within and among industries. A breakdown of these practices among the companies surveyed is given in tabular form along with the article. It starts on page 221.

• • •

Consumer Prices Remain on Plateau

The stability that has prevailed in the consumer price index over the last few months continued through March and April, according to Conference Board figures. Advances in housing and sundries have been offset, by and large, by small cuts in food and housefurnishings. The Board's reading for prices paid by moderate-income consumers remains, however, close to the all-time high.

The Board's new revised index will appear later this year. The weighting pattern will be altered to more accurately reflect current buying habits, and the list of items priced will be expanded. The Board has computed a consumer price index since 1919.

Details on the current price picture plus the regular monthly roundup of statistics on employment, wages, and hours are given in the article starting on page 242.

What Makes for

Successful Executive Development?

PROBABLY for the first time in history, top executives in American corporations can tell with some certainty who is going to be running their business ten and twenty years from now and what kind of people these men will be.

The secret of this foresight lies in the thinking behind an unusual kind of organization chart which has been making its appearance on the planning tables of top management. This chart, like the standard variety, contains a rectangle for every member of the management group. It differs from conventional charts in that all of the rectangles are neatly colored in green, yellow, red, and sometimes other colors, so they look like a multitude of minature traffic lights.

To the trade, this is known as a replacement chart. It is the hallmark of the executive development program, which is at once the most emulated, the most misunderstood and potentially one of the most valuable tools in the corporate tool kit.

In reality, executive development is not as new as it sounds. Companies have always developed executives, one way or another. The difference is that in the past most executives tended to grow haphazardly, picking up whatever knowledge and skills they could from the jobs they happened to be assigned. Nowadays, management has found that this hit-or-miss approach is not good enough for a company that wants to grow and maintain leadership in its field.

This has been particularly true since the end of World War II. During this period of tremendous expansion of production facilities, coupled with a shortage of high-grade executive manpower, there has been increased emphasis on the need for developing men so that effective managers would be available in the place and at the time required. As a result, organized executive development activities have boomed.

In practice, some of these programs for developing executives have been outstandingly successful. They are looked upon by their companies as the most logical method of producing a continuing supply of high-grade management personnel. But this happy situation does not always prevail. A couple of examples will show why.

First, there is the case of the president of an alert, progressive New England firm who heard about the fine results being achieved by several other companie in developing their executives. Fearful of being left i a "have not" position so far as manpower was con cerned, this president hired a staff expert who mad the rounds to find out what others were doing. For year the president watched happily while charts an forms were prepared and the program was installed Now he felt his company had caught up with th Jones' company down the street. But he was puzzle to find his own executives were distrustful of the pro gram. And he was even more disturbed when he ha his staff check back with the company from whic they had copied a good share of their charts and othe paraphernalia, and found it had discarded the whol rigmarole and was starting on a completely differen tack.

Companies with experience are quick to point ou the dangers of blindly copying a program just becaus it appears to be succeeding in another organization Doing so often leads to failure because the other com pany may have completely different needs.

This point is illustrated by a second example. I this case the personnel director of a large service or ganization says this about another company that wa interested in his program:

> "Over 70% of our work is directly with customers. We'v built an executive development program which is largel designed to make our managers more effective workin with people at the point of sale.
>
> "Just last week a representative from a heavy construc tion company came in and wanted to know what we wer doing about executive development. After I'd explaine our program, he wanted to copy what we were doing, lock stock and barrel. A little questioning disclosed that hi management people work mostly with engineering prob lems, perhaps 10% with people. I told him that just copy ing our forms and procedures wouldn't do the job for him I advised him to find out what had already been done i an informal way to develop executives in the man branches of his own company and to build from there. Bu apparently he was dead set on a 'program' similar to ours.'

Current experience indicates that the company tha wants to develop executives should give seriou thought not only to a program, but also to severa other matters which reach into the vitals of manage-

ment itself. Important considerations in developing executives include the following:

• As with other activities, development is most effective if definite procedures are set up. Procedures tell managers what to do to develop their people. They help assure uniformity and consistency. Taken together, procedures constitute the "program" of executive development. To be most useful, such a program should be tailored to the needs of a company.

• It is generally recognized that a program as such will not succeed unless company management actively encourages and sponsors development. This kind of support is usually tied in with the whole attitude of the company toward its people and their growth.

• Most executives learn to become administrators from on-the-job experiences. It is becoming more and more clear that the work situation will provide developmental opportunities only if the organization structure is appropriate and soundly engineered.

• The most effective development is self-development. Men who work for their own advancement usually do best if they have some goal clearly in view. Proper incentives are a necessary part of the company program of executive development.

PLAN MUST BE TAILORED TO THE COMPANY

What can be done to insure that the executive development program is tailored to the needs of a particular company? At least three aspects of the problem require investigation:

- Understanding the purposes of executive development
- Getting executive participation
- Use of pilot operations

Understanding the Purposes of Executive Development

Companies with experience agree that there are two objectives in developing executives. The relationship between the two is often misunderstood. The first objective of executive development is to encourage and assist each member of the management group to improve his performance on the job he now holds. This is basic. An important requirement here is that the boss in every superior-subordinate relationship assume responsibility for periodically appraising the work of the subordinate.

This appraisal may be by the boss himself or by a committee of which he is a member. The appraisal report summarizes the employee's strong and weak points and rates him on over-all performance and potential for advancement. The boss discusses the findings which relate to performance with the employee. During this counseling session, he encourages his subordinate to work out a program of self-development that will help him make use of his best abilities.

After talking his job over with his boss, the employee is likely to be interested in any help that is offered. It is the most opportune time for the boss to assume the role of coach. In becoming a coach, the boss uses the duties required by the employee's job as a basis for encouragement, criticism and advice. Coaching is often combined with off-the-job training opportunities offered on an individual basis.

The information obtained from the appraisals is usually summarized for top management use. Most commonly this is done on a special, color-coded organization chart. However, if high style is not in order, typewritten lists with appropriate crayon marks seem to do just as well.

A second objective of executive development is that of providing for movement within the organization. This requires that the company decide what its corporate objectives are and how many of what kind of executives it will need to attain those objectives. Next it estimates the turnover and mortality it can expect, using past experience as a criterion. From these data, it can determine how many and what kind of management people it will probably need to keep the organization properly staffed. This additional information may also be coded and entered on the replacement chart.

Movement within the organization is predicated upon development of executives in the jobs they now hold. Thus, both objectives are closely interrelated in carrying out a program of executive development.

Getting Executive Participation

Companies with successful executive development have learned that they can be sure the program fits company needs by having executives work out the specific details in close collaboration with the staff men responsible for development. In some cases, this is done through an executive development committee which includes representatives from all departments. Or group conferences of executives may be held. Usually these groups participate in the preparation of appraisal forms, recommend what form of performance review to use, and help arrange for training in counseling and coaching.

One company was able to secure participation and at the same time get valuable data for its program by asking a large number of key executives: "What things that happened to you in this company do you think had the most favorable effect on your development?" and "What factors do you think had the most unfavorable effect on your development?" From the responses they were able to get a good idea of what developmental activities to stress and what to discard.

No matter how it is done, a grass-roots beginning that involves the participation of the executives themselves seems to provide a base from which executive

development can grow until it becomes an integral part of each manager's responsibilities.

Pilot Operations

A new production process is usually started on a small scale in a pilot plant or on a pilot run. In this situation any mistakes that are made can be quickly corrected. At the same time, the most economical way of operating can be determined.

The same thinking has been profitably applied in tailoring executive development programs. Each procedure is tried out on a small scale. When the bugs have been ironed out, the procedure is extended to additional units. At each location, the program is cut and tried until it fits the local situation. This sometimes results in less uniformity than might otherwise be the case, but many staff coordinators hold little brief for the fetish of uniformity. "We have five variations on the theme of executive development," said one multi-division staff manager, "and they're all very successful. We feel we're much better off this way than if we required that everybody play the same tune."

These are three essentials of a program—the procedures that can be followed in getting an executive development program installed. But the program in and of itself—even though tailor-made—won't develop executives. The true roots of development are ways of thinking and of administration that are organic to management itself. While a complex set of influences are at work, it is possible to isolate three impelling forces:

- A positive attitude of the company toward executive development
- An organization struture favorable to development
- Proper incentives

THE ATTITUDE OF THE COMPANY

In every company there is something intangible which determines the spirit of the enterprise. You can't put your hand on it, but it pervades everything that goes on. Executive development depends upon it, as do teamwork, morale, and, in the long run, profitability.

One vice-president sums up the effect of the company attitude on executive development in this fashion: "We're able to develop executives here even though we've never had a colored organization chart. Our top management knows that we need top-grade talent. They've gone to the trouble of finding out what they must do to home grow that kind of talent, and they're willing to give full support to any manager who is trying to do a job with his people. That's what I call proper management attitude."

How can you tell when the company attitude is favorable to executive development? Perhaps the best answer is in the feeling you get when you talk to executives from companies that have an effective program. They are enthusiastic. What's more, they seem to have a good deal of information about the techniques of helping people to grow.

If you are talking to a production executive, you find he knows as much about counseling as he does about the newest developments in materials handling. If it's a finance man, he is as casual in his acceptance of periodic appraisals as he is of the annual budget. Obviously these men have not been sold some kind of gimmick. They regard executive development as a management skill they need to do their jobs.

How is this kind of attitude developed? While the chief executive invariably sets the pattern, each executive must do his part in fitting it to his own department. Several devices are reported which help develop a favorable attitude all the way down the line. These include:

- Written policies
- Making "development" a job responsibility
- Holding executives accountable for development

Written Policies

Since a policy is a declaration of management philosophy and objectives, written policies can do much in creating a favorable attitude toward executive development and in helping to establish the broad outlines of the program. These policies are enunciated by company top management, and every executive is given responsibility for carrying them out. Staff assistance is made available to line managers as they need it to help them do their job. But in every case the line executive himself is held to account for building his own work team.

"Development"—A Job Responsibility

Many companies find it a good idea to include responsibility for developing subordinates as a standard item in job specifications for management positions. This tells the executive what he is responsible for and to whom he is responsible, so far as development of his people is concerned.

In a growing number of instances, the importance of this responsibility is further emphasized by making "ability to develop his people" a factor on the appraisal form. This impresses on the executive that his own performance and potential for advancement are judged as much on his ability to develop subordinates as on productivity, or cost control, or other factors.

Accountability for Development

The chief executive in some companies helps establish attitudes favorable toward development by hold-

(Continued on page 246)

How Shift Differentials Differ

Most companies find it advisable to pay a premium to workers on the unpopular off-hour shifts

WHEN COMPANIES run extra shifts, the work hours after five in the evening and before dawn are every bit as essential to industrial routine as the more regular day hours. At the same time, a good many employees prefer to restrict their job time to the usual 8:00 A.M. to 5:00 P.M., Monday through Friday routine, keeping their evenings and week ends free. How, then, does the employer manage to make the less convenient jobs more attractive to these frequently unwilling workers?

A majority of companies find it advisable and/or necessary to offer additional incentives to those workers who choose or are selected to work the off-hour shifts. In a recent survey of shift premium practices in 374 companies, THE CONFERENCE BOARD discovered that this extra incentive can appear in a variety of patterns, but in nearly all instances a solid cash payment is involved somewhere.

In peacetime, extra shift operations are not as familiar a phenomenon as, for instance, they were during World War II. Nevertheless, according to the survey, most plants maintain a definite pay schedule for off-hour shift work.

The survey was not concerned with whether or not the shifts are actually worked at the present time—either continuously or periodically. It was concerned only that the pay schedules are established and maintained. Even if the shifts are not presently worked, the premiums are set up so they can be put into effect whenever the work demand occurs.

Of the 374 companies in the survey, 309 (about 82%) pay a second-shift differential. Only 350 of the companies provided definite information on third-shift premiums. And of these, 275 (about 78%) pay a third-shift premium.

SECOND-SHIFT PREMIUMS

Most frequently the second-shift worker is rewarded in additional cents per hour. Of the 309 companies in this survey which pay second-shift premiums, the worker receives a cents-per-hour premium in 220 (over 71%) of them. In eighty-three of the companies he is paid a percentage on his basic pay rate. The remaining six companies pay a combination of cents per hour and a percentage or a time premium, such as eight hours pay for seven hours work. Frequently, such a time premium is also incorporated into a monetary premium plan.

Five cents is the second-shift premium most frequently paid (sixty-two companies). The next most recurrent cents-per-hour payment is 6 cents (thirty-one companies). This is followed by 10 cents, which occurs in twenty-three companies.

In the eighty-three companies that pay their second-shift workers on a percentage basis, 10% is the most frequent pattern. This occurs in forty-nine companies. Five per cent, the next most frequent percentage premium—and the lowest percentage figure—occurs in twenty-four companies.

While the practice of paying shift differentials is common, the pattern of the payment varies considerably both within and among industries. In the second-shift premiums covered in the survey, the cash amount ranges all the way from 2 cents per hour to 28 cents per hour for some labor grades. Only one company, however, is represented in each of these extreme categories. In percentages, the range is from 5% to 20%. Twenty-four companies are represented in the 5% group, while only one company is in the 20% classification.

THIRD-SHIFT PREMIUMS

Two hundred and seventy-five companies allow for premiums to third-shift workers. On the basis of the 350 companies that provided definite information, this amounts to over 78%.

The survey did not inquire into what hours the various shifts run. Generally, however, the third shift is the more heavily paid, indicating that it might be the less desirable time-wise. Seventy-nine of the companies pay the same compensation for the two shifts, but in all other instances the premium for the third shift is higher than for the second shift. In several cases the amount is doubled.

In only eight cases is the actual amount paid to the third-shift worker lower than that paid to the second-shift worker, and in all of these instances extra allowances, such as "8 hours pay for 6½ hours work," compensate for the smaller amount. This raises the third shift above the second in amount paid for actual work done.

Third-shift premiums are paid the employee on a

Shift Premium Provisions in 374 Manufacturing Companies

SECOND SHIFT PREMIUMS

	No. of Companies
Total Companies	374 (100%)
Premiums provided	309 (82.6%)
Premiums not provided	65 (17.4%)
Cents per Hour Premiums	209 (55.9%)
2	1
3	8
4	17
5	62
6	31
7	22
7.5	12
8	15
8.5	3
9	4
10	23
11	1
12	1
12.5	1
13	1
14	1
15	3
16	1
18	1
21	1
Percentage of Base Pay Premiums	82 (21.9%)
5	24
7	4
7.5	1
10	49
12.5	1
15	2
20	1
Other Premiums	18 (4.8%)
Varies with labor grade from 16¢ to 28¢ per hr.	1

Other Second Shift Premiums Continued	No. of Companies
4 cents to maintenance crew only	1
5 cents & 7½ cents	1
6 & 7 cents	1
8 hours pay for 7½ hours work	1
8 & 9 cents	1
4, 5 & 6 cents	1
5 cents or 5%	2
13.33 cents	1
5.1 cents	1
5 & 10 cents	1
6 cents to A-grade only	1
6% & 5%	1
Premium (unspecified)	1
8 hours pay for 7 hours work	1
8.25 cents	1
5 cents & 6%	1

THIRD SHIFT PREMIUMS

Total Companies	350 (100%)
Premiums provided	275 (78.6%)
Premiums not provided	75 (21.4%)
Cents per Hour Premiums	187 (53.4%)
3	1
4	1
5	15
6	8
7	18
7.5	10
8	16
8.25	2
8.5	3
9	20
10	55
10.5	1
11	2
11.5	1

Cents per Hour Third Shift Premiums—Continued	No. of Companies
12	18
12.5	3
13	1
14	2
15	6
18	1
23	1
25	1
31	1
Percentage of Base Pay Premiums	67 (19.1%)
5	5
7	4
7.5	3
10	41
12.5	1
14	1
15	10
20	2
Other Premiums	21 (6.0%)
Varies from 16¢ to 28¢ per hour	1
8 cents plus 8 hours pay for 6½ hours work at straight time	4
7 cents to maintenance crew only	1
6 & 10 cents	1
8 hours pay for 7 hours work	1
8 & 13 cents	1
6, 8, 9 & 10 cents	1
5 cents or 5%	1
13.33 cents + 1 hour's pay	1
A-grade, 9¢; B-grade, 10¢	1
5% & 12 cents	1
10.1 cents	1
Premium (unspecified)	1
8 hours pay for 6½ hours work	1
25% to weavers, 12% to others	1
7½ cents & 6%	1
10 cents, 7½%, 10%	1
5 cents plus 8 hours pay for 7 hrs. work	1

Shift Practices by Industry

No. of Companies	Shift Premium 2nd Shift	Shift Premium 3rd Shift
Agricultural Equipment (7 companies)		
2	10¢	10¢
2	5%	10%
2	5¢	10¢
1	10%	—
Aircraft (9 companies)		
3	8¢	8¢[1]
2	10%	10%
1	16¢ to 28¢	16¢ to 28¢
1	10¢	5¢[1]
1	7½¢	7½¢[1]
1	5%	7%
Auto & auto parts (21 companies)		
3	8¢	12¢
3	7½¢	7½¢
2	7½¢	10¢
2	7¢	10¢
1	10%	15%
Auto & auto parts—Continued		
1	10%	10%
1	10¢	10¢
1	8½¢	10½¢
1	9¢	9¢
1	8¢	8¢
1	5%	7½%
1	6¢	12¢
1	5¢	10¢
1	5¢	5¢
1	3¢	5¢
Boots & shoes (1 company)		
1	4¢	7¢[2]
Cement, concrete & gypsum (6 companies)		
5	6¢	9¢
1	5¢ & 7½¢	10¢
Chemicals (14 companies)		
4	6¢	12¢
Chemicals—Continued		
2	6¢	9¢
2	5¢	10¢
1	18¢	18¢
1	10%	10%
1	7¢	11½¢
1	5¢	8¢
1	5¢	—
1	3¢	5¢
Electrical products (27 companies)		
8	10%	10%
2	10%	15%
2	10%	—
2	8¢	8¢
2	7¢	12¢
2	5¢	10¢
1	15¢	15¢
1	15¢	—
1	7½%	10%

Shift Practices by Industry—continued

No. of Companies	Shift Premium 2nd Shift	Shift Premium 3rd Shift
Electrical products—Continued		
1	7%	10%
1	6¢	11¢
1	5%	10%
1	5%	7½%
1	5%	5%
1	5¢	7¢
Food & beverages (14 companies)		
2	5¢	12½¢
2	5¢	10¢
1	20%	—
1	15¢	23¢
1	12½¢	12½¢
1	11¢	11¢
1	10¢	—
1	9¢	9¢
1	7¢	10%
1	7¢	7¢
1	6¢	12¢
1	6¢	8¢
Foundries (10 companies)		
2	7¢	7¢
1	10¢	10¢
1	7¢	10¢
1	6¢ to 7¢	6¢ to 10¢
1	7¢	—
1	5%	7%
1	5¢	10¢
1	5¢	8¢
1	5¢	—
Furniture & Fixtures (3 companies)		
1	10¢	10¢
1	7¢	10¢
1	5¢	—
Hardware (6 companies)		
2	10%	10%
1	8½¢	8½¢
1	5%	7½%
1	5¢	7½¢
1	5¢	7¢
Leather (5 companies)		
2	5¢	5¢
1	7½¢	12¢
1	7½¢	9¢
1	7¢	10¢
Lumber (7 companies)		
2	5¢	10¢
2	6¢	6¢
1	3¢	6¢
1	3¢	—
1	2¢	5¢
Industrial machinery (13 companies)		
2	10%	10%
2	10%	—
2	5%	10%
2	5¢	—
1	10¢	10¢
1	10¢	—
1	7½¢	7½¢
1	7¢	—
1	4¢	7½¢
Special industrial machinery (9 companies)		
2	10%	10%
1	12½%	12½%
1	10%	15%
1	10%	—
1	10¢	5¢[3]
1	10¢	—

No. of Companies	Shift Premiums 2nd Shift	Shift Premiums 3rd Shift
Special machinery—Continued		
1	7¢	10¢
1	5%	10%
Machine tools (12 companies)		
2	10%	—
2	10¢	—
1	16¢	—
1	14¢	—
1	10%	20%
1	9¢	14¢
1	8¢	12¢
1	6¢	9¢
1	5¢	10¢
1	½ hour	1 hour
Fabricated metal products (18 companies)		
3	10%	—
2	10%	10%
2	8¢	8¢
2	7¢	9¢
2	7¢	7¢
1	10¢	10¢
1	10¢	—
1	8¢ & 9¢	8¢ & 13¢
1	6¢	9¢
1	6¢	—
1	5¢	10¢
1	5¢	8¢
Metal, ferrous (6 companies)		
2	6¢	9¢
1	10¢	10¢
1	8¢	13¢
1	5%	10%
1	5¢	7¢
Metals, nonferrous (12 companies)		
2	6¢	9¢
2	5%	10%
1	10%	14%
1	8½¢	8½¢
1	8¢	12¢
1	7½¢	10¢
1	5¢	10¢
1	5¢	7½¢
1	5¢ & 5%	5¢ & 5%
1	4¢, 5¢, 6¢	6¢, 8¢, 9¢, 10¢
Office & store machines (5 companies)		
1	10%	10%
1	10¢	10¢
1	8¢	15¢
1	7%	10%
1	4¢	8¢
Paints & varnishes (4 companies)		
2	10¢	15¢
2	7½¢	10¢
Paper products (15 companies)		
5	5¢	10¢
2	5¢	8¢
2	4¢	8¢
1	13⅓¢	13⅓¢[4]
1	5¢ to 10¢	—
1	5.1¢	10.1¢
1	4¢	6¢
1	3¢	5¢
1	3¢	3¢
Paper & pulp (11 companies)		
3	4¢	8¢
1	10%	—
1	10¢	—
1	6¢	9¢ & 10¢
1	7¢	10¢

No. of Companies	Shift Premiums 2nd Shift	Shift Premiums 3rd Shift
Paper & pulp—Continued		
1	5¢	10¢
1	5¢	7¢
1	4¢	6¢
1	4¢	4¢
Petroleum (7 companies)		
4	6¢	12¢
1	12¢	15¢
1	6% & 5%	5% & 12¢
1	Prem.	Prem.
Precision & scientific instruments (7 companies)		
2	10%	10%
2	5¢	—
1	15%	15%
1	10%	15%
1	10¢	10¢
Printing (9 companies)		
2	10%	15%
1	21¢	31¢
1	15%	20%
1	10%	10%
1	10%	—
1	13¢	25¢
1	10¢	15¢
1	1 hour	1½ hours
Rubber products (7 companies)		
2	5%	5%
1	7¢	—
1	5¢	10¢
1	5¢	7½¢
1	5¢	7¢
1	3¢	7¢
Stone, clay & glass (10 companies)		
2	6¢	9¢
2	5¢	10¢
2	4¢	6¢
1	10%	10%
1	10%	—
1	10¢	10¢
1	9¢	15¢
Textile & textile products (27 companies)		
6	5¢	10¢
4	5%	10%
4	4¢	7¢
2	5¢	7¢
1	—	25% to weavers 12% to others
1	8¼¢	8¼¢
1	7¢	14¢
1	6¢	8½¢
1	5%	5%
1	5¢ & 6%	7½¢ & 6%
1	5¢ & 5%	10¢, 7½%, 10%
1	5%	—
1	5¢	7½¢
1	5¢	5¢
1	3¢	5¢
Transportation (7 companies)		
2	7%	7%
2	5¢	5¢
1	10%	15%
1	5%	5%
1	5¢	10¢

[1] Plus 8 hours pay for 6½ hrs. straight time work.
[2] Maintenance crew only.
[3] Plus 8 hrs. pay for 7 hrs. work.
[4] Plus 1 hour pay.

cents-per-hour basis in 194 companies. The amount most frequently paid is 10 cents (fifty-five companies). The next most frequent payments are 9 cents (twenty companies) and 5 cents (fifteen companies). Employees in sixty-eight companies are paid a percentage premium. Of these, 10% is the most recurrent payment, and is given by forty-one of the companies surveyed.

Among third-shift premiums, the cents-per-hour payment ranges from 3 cents to 31 cents. Again, only one company is represented in each of the two extremes. The percentages paid to third-shift workers stand at the same extremes as in the second-shift group—5% and 20%—with five companies and two companies represented in each group, respectively.

THE PREMIUM VARIES

Shift differentials vary extensively within the industry groups. Among the aircraft companies surveyed, for instance, the second-shift payments range all the way from 8 cents to 28 cents. In the chemical industry, the range is from 3 cents to 18 cents; and in food and beverage companies, the third-shift benefits extend from 8 cents to 23 cents.

For the most part, the pattern within industries is not noticeably consistent. Among the fourteen food and beverage companies surveyed, there are twelve different shift-premium patterns. Among the ten printing companies, there are nine different pay patterns; and fifteen different plans occur within the twenty-one auto and auto parts companies surveyed.

On the other hand, a few groups do follow a more consistent pattern. For instance, five of the six concrete, cement and gypsum companies surveyed pay the same rate—6 cents for the second shift and 9 cents for the third shift.

The highest rates occur in the printing industry, where one company pays 21 cents to its second-shift workers and 31 cents to third-shift laborers. Lowest rates prevail among the lumber companies in the survey, where second-shift premiums range from 2 cents to 6 cents.

NONMANUFACTURING COMPANIES

Shift differential payments are far less usual among nonmanufacturing companies. Information was also received from sixty-eight nonindustrial organizations. Of these, only seventeen allowed for shift differentials (25%). Of the seventeen nonmanufacturing companies allowing for second-shift premiums, twelve pay bonuses on a cents-per-hour basis and five on a percentage basis. Again, the most frequent cents-per-hour payment is 5 cents (six companies—half of the respondents). There are too few companies represented in the percentage group to determine any kind of pattern.

Of the seventeen companies allowing for third-shift premiums, twelve pay a cents-per-hour differential and five a percentage. The most frequent cents-per-hour payment is 10 cents (five companies).

John O'Brien
Division of Personnel Administration

How Confidential?

When an attitude survey is being made by the questionnaire method, the company usually announces that the procedure is anonymous. Yet the employee probably will be asked to give his sex, his age group, his department, and perhaps one or two other bits of personal information. Sometimes he begins to wonder if the procedure is as anonymous as it is supposed to be. If he happens to work in a small department, he may worry that anyone who cares to will be able to pick out his questionnaire rather easily.

Johnson & Johnson dealt forthrightly with this problem in announcing a recent survey. In its employee publication it explained:

> "... in order for the survey to be meaningful and useful in determining where various attitudes exist or where there is a condition which should be remedied, it will be coded to the extent of identifying groups of people, but none smaller than fifteen in number. For example, the manufacturing division will be broken down into many groups because of the large number of people involved, whereas a unit such as the merchandising department will be treated and coded as one. In no case will it be possible to identify an individual with any of his answers, nor is that the purpose of the survey."

Furthermore, the company pointed out, the survey is being made by an outside organization, reducing still more the chances of individual identification.

Employees View Merit Rating

THE USUAL approach in evaluating a merit rating program is through management. How is the program regarded by the executives of the company and by the department heads? What do they think is accomplished through merit rating? How is the organization benefited? Are there better ways of achieving these values?

The approach through management is, of course, basic. Questions like the above need to be asked periodically—and answered satisfactorily. If they cannot be answered satisfactorily, management is likely to revise the program or discontinue it altogether.

But some companies think that a second approach should be added to the first. The second approach is through the employees who are on the receiving end of the company's merit rating program. One company that has used the second approach for two years now is Ditto, Inc., of Chicago, manufacturers of duplicating machines and supplies.

DITTO'S PROGRAM

Ditto believes it is important to determine annually what its employees think of the rating program. Were the ratings fair? Were employees helped by the ratings and by the interviews afterwards with their supervisors? If so, how were they helped? A brief description of Ditto's rating program, its history and its present operation should answer these questions.

In 1951 the company concluded that the time had come for a complete review of its rating activity. There was considerable dissatisfaction with the plan then in use, particularly with the rating form itself which was of the "mathematical" type. That is, each employee was given an exact score on a number of traits. The separate scores were added together to form a total score, and then a percentage was determined. Action was taken, or not taken, on the basis of this percentage.

The new rating program, introduced in 1951, is simpler and far less mechanical. Comparing its experiences with the older plan and with the present one, the company says:

> "One of the difficulties of giving points is the variation in the manner in which supervisors grade. Hence, there were times when more harm was done than value gained simply because an employee received a merit rating of 82% and some one else received 85% who might really be a less deserving employee. Our present method eliminates this problem and we find the results are just as effective, if not more so."

The old form was cumbersome and the supervisors objected to filling it out. There was no follow-through to make sure that the interviews were held after the ratings had been made. And the company had little notion how the program was regarded by the employees.

A number of things are notable about the new form shown on the following page. It is short and easy to fill out. The instructions are clear. There are only seven traits to be rated; each is separate and distinct from the others, and each is defined in simple language. Five levels of performance are provided for each item, and the rater may even straddle two levels if he finds this necessary. There is space for comments at the end of each line.

The rater is instructed to check-mark the appropriate box for each of the seven items and to answer three questions toward the end of the blank. He is asked to discuss the ratings with his workers. At the conclusion of each interview, he detaches the slip at the bottom of the form, gives it to the employee with a prepared envelope, and suggests to him that he mark it and return it, with or without his signature, to the company's industrial relations department. (See form on next page.)

Rater Training

In answer to THE CONFERENCE BOARD's inquiry, "How do you train your supervisors to rate and to interview?" Ditto replied:

> "Our supervisors have been trained quite thoroughly. Initially they were called together in small groups by the industrial relations department; the merit rating program, the manner of rating, and discussions with the employee were all explained carefully. In addition, written instructions were issued to each supervisor. Since then, each year at the time we merit-rate employees, a new set of revised instructions is given to the supervisor, which tends to remind him of the proper techniques in rating and counseling. New supervisors are given verbal instructions by the industrial relations department each year, and there are individual discussions with the supervisor as required."

MERIT RATING REPORT

Ditto Incorporated

Name _____

Job Title _____

Date _____

Rated By _____

Instructions

Rating is to be accomplished by check marking the box above the description which most nearly describes the qualities of the individual being rated. Consider explanation of factors involved carefully.

						Comments
1. Punctuality and Attendance. Consider general record of absenteeism and tardiness; promptness in returning from rest periods and lunch	Unsatisfactory	Could improve considerably	Satisfactory	Very dependable	Outstanding	
2. Initiative and Creativeness. Consider ability to think with originality; find better ways of doing jobs; offers suggestions.	Very few or no ideas	Rarely offers new ideas or suggestions	Occasional new ideas	Frequent new ideas	Unusually original and constructive in thinking and ideas	
3. Co-operation. Includes attitude toward work, company, supervisors, and associates; willingness to work with and for others.	Does not co-operate	Sometimes shows reluctance to co-operate	Usually a good team worker	Co-operates very well, Respected by co-workers,	Unusually co-operative; fine and favorable influence on associates	
4. Ability to Learn. Consider time required to learn new duties, methods; ability to grasp explanations.	Instructions must be repeated many times	Requires detailed Instructions	Normal ability in learning new ideas	Learns quickly, Needs little instruction	Brilliant, Grasps new ideas or duties Immediately	
5. Quality of Work. Entails accuracy, thoroughness, and dependability of results; ability to turn out work which meets high quality standards.	Poor quality work, Frequent errors	Quality variable, Work needs careful inspection	Work of good quality and requires little checking	High quality work, Seldom makes errors, Follows instructions accurately	Quality of the highest possible standards	
6. Quantity of Work. Consider amount of satisfactory work performed under normal conditions	Low output	Slightly below average output	Satisfactory output	Good output	Consistently highest output	
7. Knowledge of Job. Consider familiarity with requirements of job gained through experience, education, or specialized training.	Inadequate knowledge to perform job, Requires excessive supervision	Requires more than average supervision and instruction	Adequate knowledge of job	Very good knowledge of job, Seldom needs instructions	Recognized expert on job	

In discussing this rating with the employee, what was his general reaction? _____

Does this person have qualifications for promotion? Yes No If yes, to what type of work? _____

What can you suggest that he might do to improve as an individual or employee? _____

Remarks: _____

(Detach and give to rated employee to complete and forward in sealed envelope to Industrial Relations Dept.)

Do you believe your Merit Rating was fair and impartial? Yes No

If "No," please explain. _____

Do you think you were helped by the Merit Rating and discussion with your supervisor? Yes No

Would you like to be considered for a different type of work? Yes No

If "Yes," what type of work? _____

Remarks: _____

Name _____ Date _____ Department _____

The following comment is made by the company:

"We find our present form and method to be much more effective than our previous attempt at merit rating. . . . By simplifying the form and providing a 'median' place to mark the form, we succeeded in eliminating the objection —'He is better than this description but not as good as the next one.' Now, in instances of this sort, the supervisor marks the box between the two descriptions.

"We no longer score our merit rating reports. We believe the important part of merit rating is that the supervisor has a constructive talk with the employee and attempts to make a better employee of him. That is our objective rather than giving out a numerical grade."

The ratings are made once a year. All nonsupervisory employees are rated and all are interviewed. Staff, supervisory, and professional employees are not rated at the present time. A special form is now being made up for them.

The company has asked its employees for an evaluation of the new rating plan in each of the two years that it has been in effect. The accompanying table shows the results of these evaluations.

Some Representative Comments by Employees Taken from the 1953 Questionnaires

Would like to learn switchboard so I would know two jobs.

Would like further responsibilities.

This merit rating is a good idea.

I am the newest man in the department. I think my work has improved enough to have a higher rating.

Would like to work in the advertising department drawing sketches.

Would like to be a repairman if it is an advancement.

I am happy with my present position and believe my supervisor is considering me for promotion sometime in the future. I feel I can make good at almost any position providing there's not a blind alley ahead.

I consider the discussions very beneficial as they afford a good opportunity for closer employee-department head relations.

No remarks at present; the future will tell.

Appreciate this opportunity to discuss my future progress.

Would like any work that is more interesting—if it is a better position than that which I have at present.

I feel the discussion helped a great deal in several respects.

Suggest a reprint of the factors on which an employee is rated be made available to all new and old employees.

The return of questionnaires was excellent both years. The findings could not have been materially different if the cooperation had been 100%. Returns of over 90% in themselves are indicative of high employee interest in the rating program.

Concerning promotability (the second line in the table) it will be noted that the 1953 percentage appears less favorable than the 1952. The company accounts for this as follows:

"In 1952 the supervisors recommended 38% of the employees as qualified for promotion. We actually promoted quite a number of those recommended; therefore we had less 'promotable' material plus a number of new employees who were not sufficiently trained to be considered for promotion in 1953. Hence, the 1953 percentage *should* have been lower than the 1952 one.

"One of the most valuable by-products of our merit rating is the opportunity the questionnaire provides the employee to indicate his desire for a different type of work. From this information a list is provided our employment interviewers and, wherever possible, promotions are filled from our present employees when they possess the necessary intelligence and aptitudes."

More than 90% of the employees felt their ratings were fair. Almost 90% indicated that they were helped by the ratings. Both votes undoubtedly were influenced by the fact that the ratings were followed by interview periods. The supervisor had an opportunity to talk over his ratings, and the employee had an opportunity to explain his point of view. Other studies have concluded that merit rating programs which are followed by the interview periods are better accepted by employees than programs which stop with the ratings. But the degree of acceptance at Ditto is exceptionally high for the entire rating program.

(Continued on page 249)

Comparison of Employee Surveys, 1952 and 1953

	1952	1953
Questionnaires returned	92%	95%
Employees recommended as qualified for promotion	38	29
Employees stating their ratings were fair and just	93	91
Employees stating their ratings were unfair	1	*
Question not answered	6	9
Employees stating they were helped by ratings	89	87
Employees stating they were not helped by ratings	2	2
Question not answered	9	11
Employees wishing to be considered for other work	16	19
Employees wishing to remain on present job	66	58
Question not answered	18	23

* Less than 1%

When the Temperature Hits 90° Plus

Companies use various criteria to determine when they will send their employees home early

THAT TIME is here again! During the next twelve weeks we'll be hearing about it and living through it—at least a good share of the country will. Brows will be mopped (those not in air-conditioned offices) and the old refrain will be chanted: "It's not only the heat—it's that humidity!"

And with each sizzling hot spell there is another flurry of phone calls. Companies check with their neighbors; employees are quick to gather news bulletins from other employees. The issue: to close or not to close the office—early.

The information gets around that Company Y is closing at 4:00; Company Z at 2:30. Company A, however, is still uncertain. According to the grapevine, "its office affairs committee is still in a huddle deciding on the matter." Company B workers say: "It depends on how uncomfortable the boss is feeling by 3:00 o'clock." But Company C says: "We've already closed early two days this week and we can't afford another early closing." Meanwhile, Company D announces: "We won't close early. We may as well be uncomfortable at the office as at home and there's work that must be finished."

In an effort to learn the prevailing practice, if any, in this confused picture, THE CONFERENCE BOARD asked 464 companies two questions:

- "Do you have a practice of closing the office early when temperature and humidity reach certain maximums?"
- "If you do, what are these maximums?"

The companies were asked to apply these questions only as they relate to their nonexempt salaried workers. The 464 concerns range in size from twenty-five employees to more than 5,000. When reduced to salaried workers only, the companies have as few as ten workers.

About 79% of the 464 companies do not close early. Approximately one-fifth of the companies do close early when heat becomes excessive. The practices of that one-fifth are, however, greatly varied, with the majority following no specific procedure.

FORMULAS THAT ARE APPLIED

A number of companies have actually set up definite criteria for closing so that the issue can be settled

Early Office Closing in Summer Months
(Practices in 464 Companies)

Practice	No. of Companies	Per Cent of Companies	No. of Companies with: 1-249 Employees	250-999 Employees	1,000-4,999 Employees	5,000 or More Employees
Total Companies	*464*	*100.0*	*101*	*187*	*140*	*36*
Close early when temperature and humidity reach certain maximums	97	20.9	23	42	25	7
Formulas for closing:						
Temperature plus 1/5 of humidity=100	6		2	4[a]		
Temperature plus 1/5 of humidity=102	1					1
89° plus 1/5 of humidity=102; 95° regardless of humidity	1				1	
90°; humidity not specified	6		3	1	2	
Over 90°; high humidity	1		1			
90°; humidity 68%	1			1		
Over 90°; humidity over 90%	1			1		
Middle 90's; humidity not specified	1		1			
95°; humidity not specified	3		1	2		
95°; high humidity	2		1	1		
98°; humidity 80%	1		1			
100°; humidity not specified	2		1	1		
100° or prolonged period in high 90's	1			1		
Close 1 hour early during summer months	1				1	
No specific formula	69		12	30	21	6
Do not close early	357[b]	76.9	77	145	106	29
Air conditioned	10	2.2	1		9	

[a] In one company, practice applies only to women.
[b] These may include some companies whose offices are air conditioned. Those who reported air conditioning volunteered the information.

without waiting for word from the "top boss" or a special committee. As shown in the accompanying table, twenty-eight companies are represented in this group. Half of the twenty-eight have evolved formulas which consider both Fahrenheit temperature and high humidity.

Most frequently, the formula is that of adding the temperature and one-fifth of the humidity. In some cases, the office is closed when the combined sum of these two equals 100. If, for example, the temperature is 90° and the humidity 55%, the combined sum of 90° and one fifth of the humidity equals 101—one point more than necessary for closing. In the case of some companies, the combined sum must reach 102.

Other instances in which the humidity plays a role but is not spelled out to a definite figure by cooperators in this survey are described by statements such as: "Excessive heat plus humidity over 90%," and "High humidity with temperature of 95°."

But humidity does not enter into the formulas of some companies. It may be temperature only that determines whether the boss's secretary may rush to an early air-cooled movie for relief. Some companies say they require that the temperature reach 100° before they close early.

NO SPECIFIC PRACTICE

Although they say they usually close early with excessive heat spells, sixty-nine companies have no specific practice. Determining factors for some of these are revealed in the following statements of cooperating companies:

"It depends upon humidity, also upon the number of hot days preceding the day when closing is contemplated. We are unlikely to close on the first day of a hot spell."

"Left to the discretion of department head."

"When uncomfortably hot."

"Varies with decision of office affairs committee."

"It is a matter of judgment of the works manager and chairman of our independent union."

Circumstances which determine early closing in a publishing company are: "top management's approval; work deadlines; previous amount of lost time for similar reasons."

Three companies say they follow the custom of their localities.

The ninety-seven companies that close early represent a variety of types. Among them are service industries, office headquarters of manufacturing companies, financial concerns, publishing companies, advertising agencies, utilities, law firms, printers and lithographers, stores, and insurance companies.

The three companies that require at least 100° temperature before closing early (see accompanying table) are located in Illinois, Virginia and Michigan. The company that closes one hour early every day during the summer months is located in Michigan near Lake Superior.

WHY THEY DON'T CLOSE

The majority of the 367 companies that do not close early express neither approval nor disapproval of the practice. A few do give reasons. With exclamation points, some companies indicate that air-conditioning has solved their problem. Geographic location solves the problem for others. Here, for example, is the response of one northern California company: "We do not have temperature and humidity problems in California."

Doris M. Thompson
Division of Personnel Administration

Long-Service Workers Get Added Pay

A $2-a-week wage increase for employees who have completed twenty-five years' service with the company during 1954 was made part of a contract between the Consolidated Edison Company of New York and the Utility Workers Union of America, CIO.

Of approximately 23,500 workers who are paid on a weekly basis and are eligible for union membership, about 10,500 will have twenty-five or more years of service as of April 4, 1954, and will receive the additional twenty-five-year-service increase as of that date. During the balance of 1954, an additional 1,500 employees will become eligible to receive this increase. Thus by the end of 1954, some 12,000 employees, or more than 50% of all weekly-paid employees, will be receiving the additional $2 a week.

For many years Consolidated Edison has been awarding insignia to its twenty-five year veterans—lapel buttons to the men, pins or pendants to the women. These workers automatically become members of the company's Quarter Century Club. Veteran employees also receive three weeks' vacation after fifteen years with the company.

Briefs on Personnel Practices

Birthday Reminder in Handbook

When the Hamilton National Bank of Washington, D. C. was preparing a new handbook for employees, one employee observed that she planned to keep in the booklet a list of birthdays occurring in her department.

That provided an idea for those who were working on the booklet. Maintenance of such a record, they thought, would give the manual permanent value. So, the last page of the handbook, recently issued, is headed "Birthday Reminders," and below are lines on which the employee can record associates' birthday dates.

Hamilton chose a "pass book" size for its booklet—3½ by 6¼ inches—convenient for men to carry in their pockets and women in their handbags.

How to Win Money by Influencing People

Employees at The Halle Bros. Co., a Cleveland department store, are being offered an opportunity to help themselves to some extra cash and help their company by recruiting new workers.

The employee signs employment introduction cards and hands them to his friends and relatives who are interested in finding work. For each person who brings the card to the Halle employment office, is hired, and then works steadily for at least thirty days, the referring employee receives:

- $10 bonus for a person working the regular forty-hour schedule;
- $5 bonus for a person working regularly between twenty and forty hours;
- $3 bonus for a person working less than twenty hours a week, or who works as needed "on call."

Revitalizing the Suggestion System

The difficult trick of breathing fresh life into a dying suggestion plan has apparently been mastered by Argus Cameras, Inc. The number of suggestions submitted at the Ann Arbor plant—there were almost none three years ago—jumped to over 500 last year and holds a current average of twenty a week.

New rules, a new suggestion committee and a new maximum award of $2,500 assisted in the revival process, but possibly the most interesting feature of the plan is the award method. Cash awards are made on the basis of 50% of the estimated gross savings in the first six months, less the cost of applying the suggestion. While this general plan is a feature of numerous suggestion programs, 10% is the most usual figure and the time limit in almost all such cases is at least one year.

Employees Patronize Dental Clinic

The cleanup season is on at the Grumman Aircraft Engineering Corporation, Bethpage, New York. But this cleanup time has nothing to do with plant housekeeping.

Instead, it concerns the services of a free dental clinic which has been operated two days a week for the school months of the year. Teeth cleaning and advice on dentures are free to employees. Student dental hygienists service the clinic, which is carried on through the cooperation of the Long Island Agricultural and Technical Institute.

An instructor of the school has charge of the clinic, which has been conducted for several years on the mezzanine floor of one of the plants at Grumman. Seven patients can be cared for at one time. The clinic remains open for as many months of the school year as patronage demands. Last year it was open for the entire season, and more than 750 cases were handled.

School-Business Conference

Recently, the John Hancock Mutual Life Insurance Company was host to about 300 educators and representatives of other business concerns. The occasion was an educational-business conference conducted at the John Hancock home office in Boston. The program included tours of the building, panel discussions, and a dinner with an address by the superintendent of the Newton Public Schools. Subjects of the three panel discussions were:

Training Techniques for High School Graduates
Guidance in School and Business
The Relationship of the School Curriculum to Business

The entire program was a further effort to bring about a greater understanding between educators and businessmen. The conference raised a number of vital questions relating to the transition of youth from school to business. The John Hancock organization is planning to repeat the project next year and possibly to continue it for some time.

Physical Examinations for Executives

A company health program often proves an excellent method for safeguarding executives in this vital area

PERIODIC physical examinations for executives are not new. They were adopted by some companies in the early 1900's, perhaps before.[1] But the idea was given little general recognition until the long work hours and strain of World War II made companies concerned about the health of their key personnel. Though many had well developed medical plans for nonsupervisory employees, comparatively few companies had, until then, given much thought to safeguarding the executive's health.

The movement gained impetus right after the war when companies could give it more attention. An even greater growth is apparent in the 1950's. Special physical examination programs for executives are now so well accepted that some companies regard them as a "must."

Many organizations are now in the planning stages of these programs; others are debating the merits of initiating them. And various questions are being asked by both groups. The former want to know:

Who is included in these programs? Are they for the top echelon only or do they extend to middle management and, perhaps, to lower supervisory levels? Is the physical examination a mandatory or voluntary procedure for the executive? Who gives it, and how broad is it in scope? How often is it given? And are results of the examination made available to a company officer?

For the companies still wondering whether to introduce such plans, there are even more fundamental questions:

Why give special attention to periodic physical examination programs for executives? What do companies hope to accomplish through them, and why should this extra expense be assumed?

To get answers to these questions, THE CONFERENCE BOARD has obtained information from 120 companies that have some type of health program for their executives.[2]

In answering the "why," some companies counter with another question. Is it not important to guard the health of an executive who represents an investment of many thousands of dollars to the company? Or, is it not as necessary to guard the health of the executive as that of the lathe operator, the office messenger, the file clerk? Others ask: is it not as important to have a healthy, well-adjusted person at the top of an organization as at the bottom?

Some companies point out that great sums of money are spent on executives in training programs, special management courses, etc. Their years of experience alone represent an investment, they say. One cooperator asks: "Would it not be foolhardy to shy away from the comparatively small additional cost of a physical examination which might be the most important investment of all?"

More specific reasons are cited by others. Executives represent, in the majority of cases, an older age group; this is a time when many diseases make their first appearance. Executives are lax about checking and caring for their own health. Healthy executives make more efficient and better adjusted executives. And healthy persons at the helm inject needed spirit and zest into an organization.

WHO IS INCLUDED?

The greatest individual personnel investments for a company are represented in members of the top management group. But many companies include others besides these top individuals in their periodic physical examination programs for executives. In a group of 102 companies, 88% include middle management; and approximately half include first-line supervisors.[1]

Reasons cited by companies for including these levels are:

- Top executives are usually promoted from the middle management group. It is important to give the future top men an early start in health care with the hope that incipient ailments may be checked before they become serious.
- Persons at the foreman level are especially in need of health checkups because of the pressure they

[1] "Health Service in Industry." *Research Report,* No. 34, National Industrial Conference Board, January, 1921 (out of print).

[2] A complete report of the findings of this survey and a description of executive health plans of individual companies will be given in a forthcoming *Studies in Personnel Policy.*

[1] Not all of the 120 cooperators participated in all questions. Some did not want to reveal their practice on some matters; some felt certain questions were not pertinent to their program; some are considering a change in their practice and thus do not fall into definite classifications.

get from the two sides—management and the workers. Adhering to stepped-up production schedules set by those higher up and still maintaining peaceful and harmonious working relations among the employees may subject the first-line supervisor to an inordinate amount of stress and strain.

- Persons who are potential top executive material are often found in the younger group at the first-line supervisory level. Adoption of better health habits when these persons are young may pay off in later years.
- Some persons attach a certain prestige feature to the executive health plan. It is, therefore, a matter of good industrial relations to include some of the lower supervisory groups in the plan.

What About Professional Personnel?

Another question which arises regarding the extent of the program is whether to include certain key personnel not having supervisory duties. This group includes chemists, engineers, editors, etc.

Approximately 46% of 102 companies in this survey do include such personnel.

VOLUNTARY OR MANDATORY

Companies may debate the question of offering these examinations as a voluntary or mandatory procedure for the executive. But the greatest percentage of those cooperating in the Board's survey give them on a voluntary basis. The slightly more than three quarters of the 119 companies that provide examinations on a voluntary basis give as their reasons:

- Examinees are more likely to have faith in the "confidential findings" promise if examinations are elective.
- Companies hesitate to introduce a "must" periodic examination program for their executives if they do not have similar requirements for other employees.
- When a program is voluntary, the executive is more inclined to regard it as a health insurance measure rather than to fear it as a means of "weeding out the weak."
- Companies hesitate to force upon key personnel a project which, although vital to the company's welfare, is still a very personal matter for the individual.
- A program which is not forced on the individual but offered as a privilege is more valued.

The remaining 24% of 119 companies make the program mandatory and reason this way:

- The executive is a costly investment and the company has a right to guard its investments in people as well as in buildings and equipment.
- Those most in need of an examination may, through fear, be among the hold-outs if a program is voluntary. Making it mandatory may be the kindest way to handle these cases. The examination will either disclose nothing serious or will be the cause of starting remedial therapy.
- When a person allows a company to include him as a key person in the organization, he accepts the responsibility of helping to maintain a sound organization. To do this he must accept the company's efforts to guard its investment and be willing to participate in a program instituted to benefit both of them.
- The first examination is often the greatest hurdle. When examinations are mandatory, this first hurdle is quickly disposed of and from there on persons take the program in stride.

PARTICIPATION

Even when examinations are conducted on a voluntary basis, participation appears to be good. Only eight companies out of eighty-nine indicate that fewer than 75% of their executives elect to take the examinations. About three quarters of the companies have participation of 90% and more.

The chief reasons given for nonparticipation are: fear of findings; fear of job insecurity in case of unsatisfactory findings; and the fact that executives are already under care of their own physicians.

FREQUENCY OF EXAMINATION

Medical examiners differ in their opinions and companies differ in practice on the frequency of examinations for executives. There are those who feel it is unnecessary for most executives under forty years of age to be examined more than every two or three years. Others feel that every year is a good yardstick for everyone. Some believe it should be once a year, except for the older executives, where every six months is preferred (and ideas vary on what is considered "older"). Another group needing more frequent examinations, cooperators point out, are those persons whose previous examinations have revealed conditions which need watching.

One medical examiner, who prefers examinations every six months for older executives and believes that more than a year's interval for anyone is unwise, has the following comment on frequency of examination.

> "The value of the examination depends, of course, on the thoroughness of the examiner. The latter should give the examination each time as though he were seeing the person for the first time. Too often the doctor who is giving a semiannual examination might be tempted to say: 'how have you been the last six months—okay?' and then give a cursory examination.
>
> "The idea of an examination coming up in an interval

as frequent as six months—even a year—makes people more health conscious and they take better care of themselves. Examinees will be more inclined to watch weight, teeth, posture, excess smoking, etc., if they know someone else is interested in their health and will check on these factors. Thus, the examination is a physical examination plus a psychotherapeutic measure."

What Survey Shows on Frequency

In this survey, the most common time interval for companies is one year. Of 120 companies 78% provide examinations on an annual basis. The remainder follow varied customs such as twice a year, every eighteen months and every two years. Several give them every year or two with more frequent examinations for elderly persons.

Adequacy of company facilities occasionally determines frequency. A few cooperators report they aim to give examinations annually, but present facilities limit them to less frequent intervals.

A company officer or doctor may suggest that certain persons have checkups more frequently. This may be due to outward appearances of ill health, an undue amount of time lost from the job, or to sudden inefficiency regarding work duties.

CHOICE OF EXAMINER

Who gives the examination—the company doctor, a clinic, or a private practice doctor of the company's or the individual's choice?

In this case, practice differs not only among companies but within a company. Some establishments, for example, provide a choice of two or three possibilities.

Sixty-two of 120 companies in this survey use outside agencies only; fifty-eight use company doctors. But twenty-nine of the latter group use outside agencies as well as company doctors. When the total number of companies that use outside agencies (sixty-two plus twenty-nine) name the particular kind of outside examiner used, the result is 60% favoring clinics.[1] The private practice doctor of the company's choice is used by 34% of the ninety-one companies.

Reasons for Choice

Reasons cited by companies that use outside agencies for giving examinations are: they have no medical facilities of their own; their own facilities are not adequate to take on the added load of an executive diagnostic program; some company doctors may not be as versed in new or specialized diagnostic procedures as those in clinics; executives prefer to have examinations given by persons not connected with the company because some of them feel that the confidential nature of the findings will be more assured that way.

On the other hand, companies that prefer to have their own doctors give the examinations give the following reasons:

- Company physicians are more aware of the stress and strain to which executives are subjected. This knowledge may provide better insight for diagnosing and recommending treatment for certain ailments that are aggravated by duties and personalities associated with the job.
- Use of company physicians establishes rapport between the executive and doctor. As a result, the executive is more inclined to consult the doctor between examinations.
- The company physician learns the health problems of key persons and can keep a watchful eye on them.
- It is less expensive to use existing facilities than to patronize outside sources.
- Companies do not like to have executive examinations differ from those of other employees. They feel all should be given the same type of examination.
- There is less loss of time in company examinations.

SCOPE OF THE EXAMINATION

The physical examination may be limited or comprehensive in scope. What limited or comprehensive means is determined by the individual examiner's methods and by the procedures a company may want included.

In most cases, however, a limited examination entails, in addition to the medical history and routine body examination, a chest X ray, blood count and hemoglobin, urinalysis, and a serology test for syphilis. Some include an electrocardiogram as part of a routine examination.

The comprehensive examination includes more diagnostic procedures and has two variations. It may be a dragnet type which puts an examinee through a series of detailed laboratory tests and X rays whether or not a need for them is indicated. Or it may include only a certain number of laboratory procedures that are common tests but not included in the limited examination.

The greater number of companies in this survey appear to use the examination which falls between the limited and the dragnet types. And they vary as to what they include in that in-between classification. The additional diagnostic features most often cited by companies are dental X rays, X-ray studies of the abdominal organs including the gall bladder, stomach, intestines, kidneys and bladder, metabolism tests, phosphatase tests for prostate malignancies, and proctoscopic examinations. In addition to the electro-

(Continued on page 255)

[1] The term "clinic" refers both to hospitals that perform these executive health examinations and to clinics specializing in examinations only and not connected with hospitals.

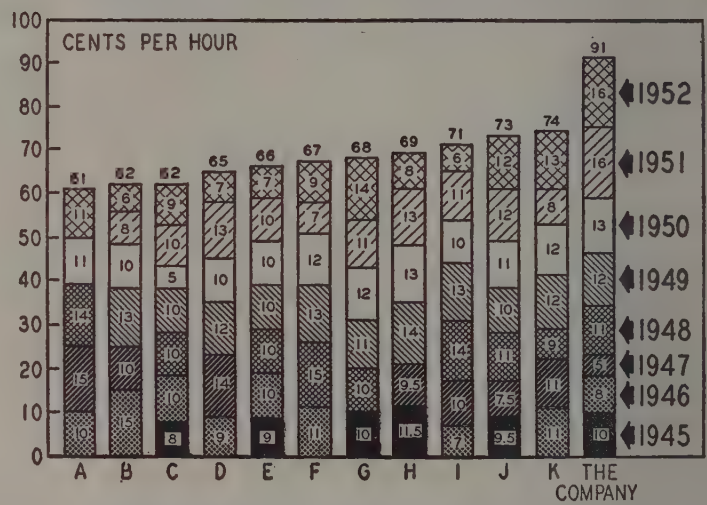
Charts Show Bargaining Picture .

"A single picture is worth a thousand words" sums up the experience of one management negotiator. He wanted to show the union's bargaining committee how well his company stood vis a vis its competitors on wages and fringe benefits. He had a great deal of data to back up his position. His problem was how to present this material. Words alone he felt would not suffice. Tables alone would only confuse.

He put his staff to work on the problem and they came up with the answer: put this hard-to-get-across material in pictures. For the bargaining session he used charts coupled with an oral presentation. In addition, he distributed the tables on which the charts were based to the union committeemen.

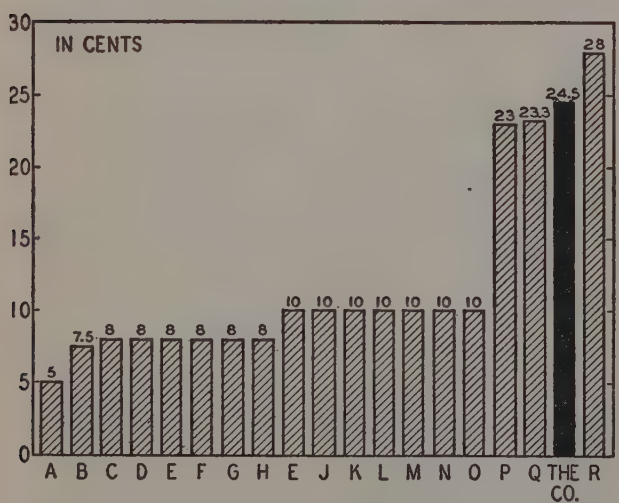
Here's part of the story he told in chart form to the union's bargaining committee to demonstrate how the company stood in relation to its competitors. His comments appear below each chart.

General Wage Increases Granted by Company X and Eleven Competing Companies, 1945-1952



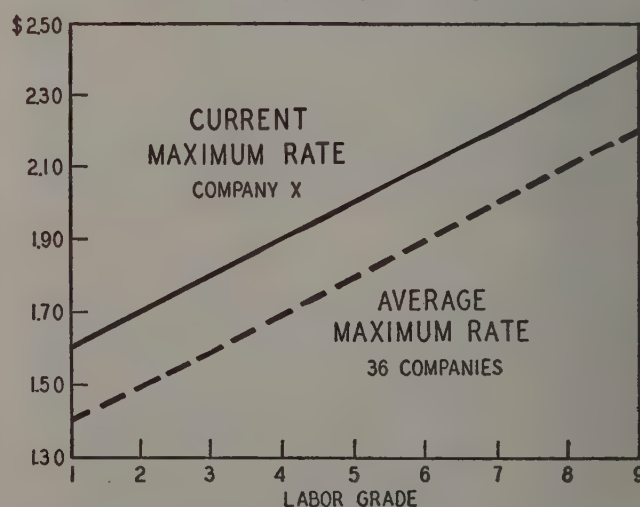
1 **"Since 1945, total wage increases of company X have exceeded those granted by competitors . . .**

Comparison of Maximum Second-Shift Bonus of Eighteen Companies with the Bonus Paid by Company X



4 **"The company's second-shift bonus is more than double that paid by the majority of firms, and is next to the highest in the industry.**

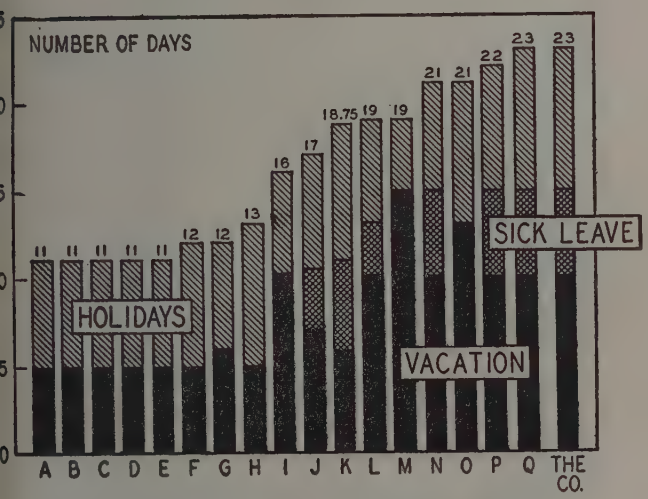
Comparison of the Current Maximum Wage Rate of Company X with Average Maximum Wage Rate Paid by Thirty-Six Companies



5 **"Wage rates average 20 cents more than those paid by thirty-six firms in the area with the same job evaluation system . . .**

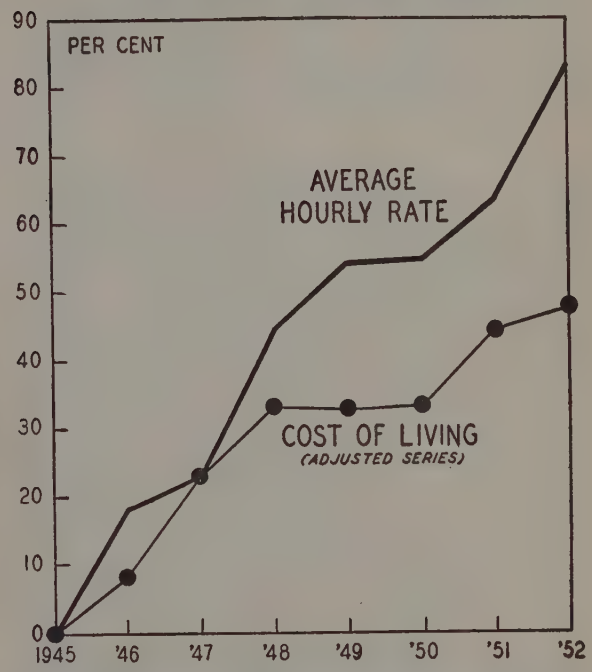
Quickly, Easily

Maximum Paid Time Off (After One Year's Service) of Company X and Seventeen Competing Companies



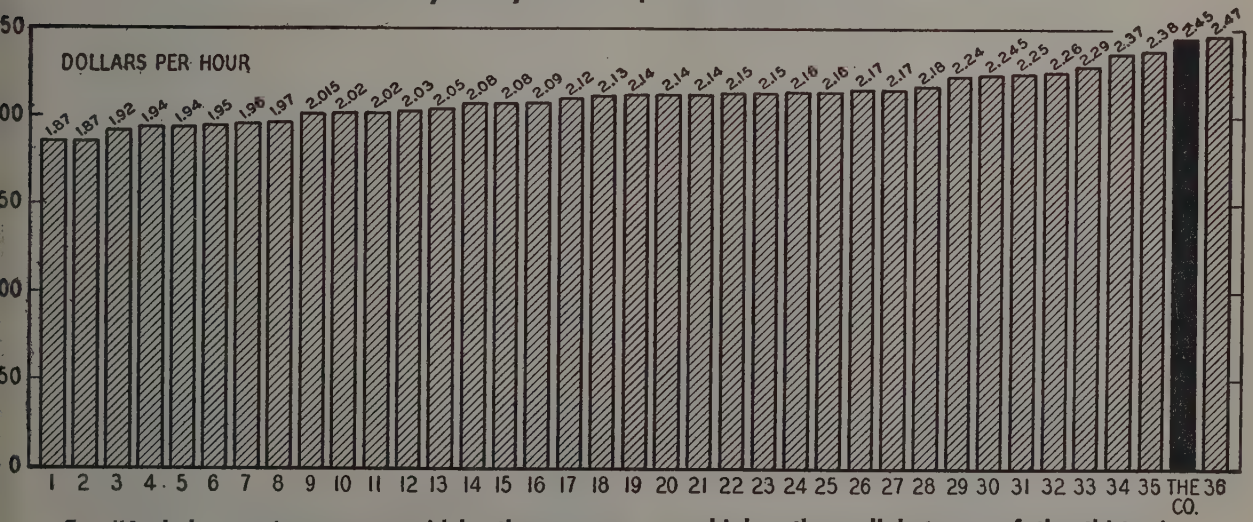
"And the company also stood right at the top in the amount of vacation, holidays, and sick leave granted.

Comparison of Company X's Average Hourly Rate and Cost of Living, 1945-1952



3 **"Wages since 1945 have always kept up with or have been ahead of the cost of living.**

Comparison of Maximum Wage Rates Paid by Company X with Those Paid by Thirty-Six Companies in the Area



6 **"And the maximum rate paid by the company was higher than all but one of the thirty-six companies in the area that use the same job evaluation system."**

Trends in Labor Relations

COURT RULES ON SECRET STRIKE VOTE

THE SECRET STRIKE vote issue is legislatively dead for the present. The Senate voted fifty to forty-two to send the Smith bill back to committee, thus in effect killing any action on a secret strike vote provision in this session of Congress.

Judicially, however, this issue is very much alive. In a test case, the United States Seventh Circuit Court of Appeals said that the Allis-Chalmers Manufacturing Company has the right to "bargain to an impasse" for a union contract clause requiring that before the union strikes it must hold a secret vote under government auspices of all workers in the bargaining unit. The court said that if a no-strike clause is bargainable, then a strike-vote clause is also bargainable. The National Labor Relations Board, which was the respondent, held that the company does not have this right.

The story behind this test case is as follows. During its 1951-1952 negotiations with the AFL Office Employees' International Union, the Allis-Chalmers Manufacturing Company requested that the following clause be put in the new contract:

> "If a new agreement cannot be reached within such thirty-day period or thereafter the union shall have the right to conduct a strike, provided a majority of the employees in the bargaining unit shall have voted in favor thereof in a secret ballot referendum held under the supervision of an impartial state or federal agency designated by the union."

The company also asked that the contract be ratified by the employees in a secret vote. But the union representatives rejected these provisions as unacceptable.

The union then filed a complaint with the NLRB alleging that the company "refused to bargain with the union as representative of a bargaining unit." The NLRB trial examiner upheld the union. In his decision he said that the Taft-Hartley Act "imposes upon employers and representative unions the duty to bargain collectively in respect to 'wages, hours, and other terms and conditions of employment.'" The strike-vote provision and the ratification provision, he said, "did not involve conditions of employment, and were not matters upon which the company could insist in bargaining as a condition of agreement."

The issue raised by the union, the trial examiner said, is not "the right of the company to bargain for a no-strike clause, nor whether there should be such a clause in the contract, but as to who should decide whether to authorize the union's strike: a question ordinarily reserved to an organization's membership or officials. . . . The nonunion employee is bound by the ratification votes of union members, but he is not bound by their strike votes. He may continue to work, the employer willing, so long as the plant operates; but he may not choose to work under conditions different from the contract." Thus the trial examiner concludes that the company's strike-vote provision "constitutes a limitation of normal union rights: one, its right to strike; the second, its right to prescribe its own lawful rules."

A three-member panel of the National Labor Relations Board consisting of John M. Houston, Abe Murdock and Ivar H. Peterson unanimously upheld the trial examiner. In their decision, the three-member panel said:

> "In essence, the strike-vote clause was tantamount to an attempt to by-pass the union and to deal with the employees instead. It is true that the respondent [company] urged the clause upon the union, was willing to have the union conduct the election, and did not approach the employees directly. Nevertheless, although the employees were to be reached through their union, the respondent wanted to ask them, instead of their union, whether they wished to strike. It is now well established that an employer may not deal with the employees while there is in existence, and without the voluntary approval of, a majority representative. If the employer may not lawfully deal with the employees in this situation, necessarily it may not lawfully insist upon a contractual right to do so. In sum, the net effect of the strike-vote clause was to reserve to the respondent [company] the right to place its last offer, in future contract negotiations, before the employees directly, for them to accept or reject."

The court turned down this argument, saying it would deny nonunion workers the right "to express their desires."

Arbitrator Rules for Pay During Security Check

An arbitrator on May 3 made an award requiring an employer to pay wages to an employee undergoing security investigation by the government. The arbitrator, the Honorable Curtis G. Shake, a former judge of the Supreme Court of Indiana, decided that the Arma

Corporation had no right to place an employee on an "unpaid leave of absence" while the government investigates whether he may have access to classified government data. The arbitrator's decision was limited to an interpretation of the specific contract in force between the union and the company. The Arma Corporation manufactures military communication devices and ordnance equipment. It has contracts with the Army, Navy and Atomic Energy Commission.

The award came as a result of a dispute between the company and a union—the Engineers of Arma Corporation, which is affiliated with the recently founded Engineers and Scientists of America. One of the union's members was challenged as a security risk and the government began an investigation. The company placed the employee on an unpaid leave of absence, pending the government's decision in the case. The union protested, claiming that the employee could not be deprived of wages during the period of the investigation on the sole grounds that he had been accused. The arbitrator decided that under the contract between the union and the company, the company could not cease wage payments during the investigation.

According to a statement signed by both a company and union representative and released by the American Arbitration Association, the arbitrator's decision does not mean that the individual under investigation will have any access to government confidential data during the period of the investigation. The statement reads in part:

> "The company and the union agree that in the event the employee is found to be a security risk by the government, then the employee will be required to leave the plant, and the company shall cease wage payments. The arbitrator's award therefore affects only the obligation to pay wages during the limited period of investigation and does not in any way adversely affect the safeguarding of classified security information."

During the period of the investigation, the employee "may be assigned to work on any available nonclassified activity," or the company may, if it has no such work in hand, continue to pay wages and give the employee a leave of absence.

Fur and Leather Workers May Lose NLRB Services

The recent conviction of Ben Gold, president of the Fur and Leather Workers' Union, ind. for failing to comply with the noncommunist affidavit provisions of the Taft-Hartley Act has led to a move by the National Labor Relations Board to deprive the union of the board's services. This would mean, among other things that the Fur and Leather Workers' Union could no longer appear on the ballot in NLRB representation elections. The indictment of the union's president, on which he was convicted, charged him with falsely denying that he is a Communist in his affidavits filed with the NLRB.

On April 22, as a direct result of Mr. Gold's conviction three weeks before, the NLRB ordered the Fur and Leather Workers' Union to show cause before April 30 why it should not be declared out of compliance with the noncommunist affidavit requirements of the Taft-Hartley Act. The board's order read, in part:

> "Unless good and sufficient cause to the contrary be shown, the board will deem International Fur and Leather Workers' Union not to be in compliance with Section 9 (h) of the act [requiring noncommunist affidavits from union officials] and will withhold all further benefits under the act from said union and from its affiliates and constituent units, unless satisfactory proof is submitted to the board in Washington, D. C., on or before April 30, 1954, that Ben Gold has been removed from office and is not performing the functions or duties of any office in said union."

Shortly after this NLRB order, the union elected Mr. Gold to the presidency for an additional term at its convention in Atlantic City.

The union's lawyers, however, did submit a brief in response to the show cause order. On April 30, the last day of the board's order, the union filed with the NLRB a lengthy document denying that the board had any constitutional right to deprive the union of its services on the grounds mentioned in the show cause order.

While the NLRB, as of press time, has not declared the Fur and Leather Workers' Union deprived of its services, it has taken action in another direction. The board ordered a representation election among the employees of the A. C. Lawrence Leather Company, of Kentucky, where the Fur and Leather Workers' Union holds a contract which does not expire until July 13, 1954. This board order came as a result of a CIO petition for an election. Because of Mr. Gold's indictment, the local union in the company's factory recently left the Fur and Leather Workers' Union and joined the CIO. The board said that while normally it would hold no representation election during the term of the contract, it felt that the local union's departure from the Fur and Leather Workers "warrants directing an immediate election notwithstanding the existence of a contract."

The NLRB said that it would accord Mr. Gold's Fur and Leather Workers' Union a place on the ballot, provided that officials of the union's District 5 (which takes in Kentucky) comply with the filing requirements of the act. In that case, the ballot would give employees in the bargaining unit a choice of the Fur and Leather Workers, ind., the CIO local union, or no union.

James J. Bambrick, Jr.
George H. Haas
Division of Personnel Administration

Labor Press Highlights

UNIONS ISSUE FINANCIAL REPORTS

YEAR-END union financial reports covering the 1953 fiscal year appeared in the papers of ten unions last month (see Table). Most of them are published with little or no interpretation; the data are merely presented. Statements of all ten unions indicate that the greatest source of income is union dues; initiation fees account for relatively little of their income. For three of the unions listed—the AFL Machinists, the CIO Clothing Workers, and the AFL Ladies' Garment Workers—income from investments accounted for an appreciable part of the total. The Machinists show "total investment revenue" of $263,149.41; the Clothing Workers list "interest and dividends on investments" at $196, 481.22; and the Ladies' Garment Workers show $476,027.14 as investment income.

The investments of these three unions are concentrated for the most part in government bonds. Assets of the CIO Clothing Workers' Union include $5¼ million in United States Government bonds, another $680,000 in Dominion of Canada bonds. The ILG statement shows $16.6 million invested in United States bonds, only $110,502 invested in corporate stock. *The Machinist* statement lists $9.7 million as investments but doesn't indicate how the money is invested. Past reports, however, have shown the bulk to be in government bonds.

AFL Textilers in Red

Not all the unions report expenditures the same way. But among the ten, those items generally classified as officers' salaries and organizing activities accounted for the heaviest drain on income. For the AFL Textile Workers, which has for several years engaged in an organizing battle with the CIO's Textile Union, expenses for organizers and organizing activities accounted for $340,000 of the union's $714,000 total expenses. As indicated by its financial statement, the AFL Textile Workers last year spent $42,000 more than the union took in. The union's liabilities, according to its financial statement, exceed its assets by $14,257.88. Listed among the TWUA liabilities is $189,250 in long-term loans. This sum alone exceeds total assets of the AFL union.

ILGWU Shows Membership Shift

Along with its financial statement, the Ladies' Garment Workers' Union presented an analysis of its membership growth over the past twenty years. In 1934, ILG claimed 198,131 members; in 1944, membership had risen to 305,075. In 1954, ILG claims 439,277 members. On a regional basis, only the Southeast shows a decline in members, according to figures in *Justice*.

With the membership growth has also come a shift in the relative strength of various ILG regions. For example, New York City in 1944 had 53.2% of ILG's total membership. In 1954, *Justice* shows 46.1% of membership in New York City. On the other hand, the Northeast region (comprised of New England, upstate New York and Pennsylvania) now has 15.6% of ILG's members while in 1944 it had only 8.4%.

CIO Textile Workers Increase Dues

An increase in dues to a minimum of $3 per month and a per capita tax to a minimum of $1.50 per month were approved by the recent convention of the CIO Textile Workers Union, reports *Textile Labor*. Formerly, dues were $2 a month with the per capita tax to the national union amounting to $1 per month. The dues increase was voted, reports *Textile Labor*, because of the shrinkage in local treasuries and to correct economies put into effect by the CIO Textile Union's national office.

AFL Machinists, Plumbers in No-Raid Pact

The International Association of Machinists, headed by A. J. Hayes, and the United Association of Plumbers and Steamfitters, headed by Martin P. Durkin, have agreed to a mutual assistance pact covering negotiations, organizing and jurisdiction, reports *The Machinist*. Under this pact, jurisdictional disputes will be submitted to the presidents of the two unions for settlement, then to a six-man board if the dispute is still not settled, and finally to a neutral arbitrator. The IAM has negotiated similar no-raid agreements with the UAW and the Rubber Workers of the CIO and with the Teamsters and Printing Pressmen of the AFL.

AFL, CIO Maritime Unions in Joint Action

Legal protection for hiring halls is being sought by the Conference of American Maritime Unions, reports *The Pilot* (National Maritime Union, CIO). Tentative agreement that maritime operators will cooperate with the CAMU in this project is also reported by *The Pilot*. The conference, according to the NMU, is composed of all noncommunist seamen unions affiliated with the AFL, CIO, and District 50 of the

Mine Workers. It was organized in January to set up a cooperative program "to save the American merchant marine." The CAMU has already sought Congressional action to require American flag vessels to carry from 50% to 100% of United States economic aid and military cargoes to foreign countries.

CIO to Get New Affiliate

Granting of a CIO charter to the Mechanics Educational Society of America, long-time independent union, has been okayed by the CIO's executive board, reports *The CIO News*. MESA claims 53,000 members, most of whom are in the Detroit-Cleveland area. While approving this charter, the CIO executive board revoked the charter of the United Optical and Instrument Workers of America. *The CIO News* reports that the union's convention requested this action. Locals of this union are now part of the CIO's Electrical Workers and the CIO's Glass Workers.

Railway Conductors to Organize Roadmen

The Order of Railway Conductors of America, independent, at its recent convention officially changed its name to the Order of Railway Conductors and Brakemen, reports *Labor* (AFL and independent railroad unions). The change in name, according to the union, paves the way for a drive to bring all train roadmen into the union. ORC states that already thousands of brakemen have joined the ORC.

Set Up World-Wide Oil Union Alliance

Delegates from oil unions from fourteen nations met in Paris this April to form the International Federation of Petroleum Workers, reports *The International Oil Worker* (CIO). O. A. Knight, president of the CIO Oil Workers Union was elected president of the newly formed organization and Lloyd A. Haskins, an Oil Worker international representative, was made general secretary. The IFPW selected Denver, Colorado, home of the CIO Oil Workers, as international headquarters. It is the first international trade union organization to house its headquarters in the United States, according to *The Oil Worker*. Membership in the International Alliance is open only to democratic trade unions and a 2 cents per month per capita payment will finance the organization. Delegates at the founding convention were from oil unions in Austria, Belgium, Canada, Chile, Columbia, Egypt, France, Germany, India, Italy, Lebanon, Netherlands, Philippines and the United States.

HAROLD STIEGLITZ
Division of Personnel Administration

Finances of Ten Unions as Listed in Labor Papers

Union and Source of Data	Period Covered by Report	Assets	Liabilities	Receipts: Per Capita Tax	Receipts: Initiation Fees	Receipts: Total Dues, Fees, All Others	Disbursements
Ladies' Garment Workers, AFL, *Justice*	Year ending Dec. 31, 1953	$24,571,133.94	$11,261,949.98	$4,147,889.75	$117,552.35	$ 7,982,294.78	$5,616,266.80
Machinists, AFL, *Machinists' Monthly Journal*	Year ending Dec. 31, 1953	12,368,518.89	386,904.41	n.a.	n.a.	11,724,563.40	9,897,703.87
Clothing Workers, CIO, *The Advance*	Year ending Dec. 31, 1953	8,199,426.06	144,893.51	3,456,038.38	64,120.86	4,058,247.41	3,508,463.52
Auto Workers, AFL, *AFL Auto Worker*	Year ending Dec. 31, 1953	975,535.06	23,750.21	1,189,945.55	53,587.81	1,305,916.96	1,010,785.64
Packinghouse Workers, CIO, *Packinghouse Worker*	Year ending Dec. 31, 1953	784,990.41	150,455.59	1,968,683.77	22,780.50	2,025,608.95	2,000,405.46
Upholsters, AFL, *UIU Journal*	Year ending Dec. 31, 1953	200,459.28	89,407.70	464,075.96	28,928.63	669,051.48	610,305.14
Textile Workers, AFL, *The Textile Challenger*	Year ending March 31, 1954	186,079.54	200,337.42	667,175.75		671,953.71	714,281.34
Paperworkers, CIO, *CIO Paperworkers News*	Year ending Dec. 31, 1953	79,021.01	18,691.78	467,951.00	9,455.00	499,427.30	476,090.78
Gas, Coke & Chemical, CIO, *The United Chemical Worker*	Year ending Jan. 31, 1954	n.a.	n.a.	1,061,622.32	2,144.25	1,242,425.58	1,203,602.25
Paper Makers, AFL, *Paper Makers Journal*	Year ending Dec. 31, 1953	n.a.	n.a.	947,337.88	57,865.64	1,056,310.40	1,056,676.15*

* Includes $216,406.51 in transfers to the separate funds for death benefits, pensions, conventions, newspapers and strikes.

Briefs on PENSIONS AND OTHER BENEFITS

$25,000 Award for Compulsory Retirement

A federal court decision has awarded $25,000 to a retired employee of the National Tube Company as a result of his compulsory retirement in 1946. The employee had worked in the company for twenty-five years prior to retirement on his sixty-fifth birthday. It was contended in the suit that the retirement of this employee was in violation of the contract with the United Steelworkers, CIO, which provided that workers could be discharged only for cause. The company argued that compulsory retirement was not the same as discharge and that it was not covered by the union agreement.

The judge ruled that the "legal and practical" effect of compulsory retirement is the same as discharge. If the company wanted a compulsory retirement provision, he stated, it should have this policy incorporated in the union agreement or make it known to employees.

Prior to World War II the company had a compulsory retirement policy, which was waived during the war years. At the end of the war, this policy was reinstated.

Strike over Pensions Averted

The New York City Omnibus Corporation and the Fifth Avenue Coach Company were recently threatened with a strike of the Transport Workers Union, CIO, over pensions for 145 former conductors of the Fifth Avenue Coach Company. When the company ceased operation of the double-deck buses which employed a two-man crew, the company gave severance pay to the older workers whose services were dispensed with because of the change. As new openings occurred, these ex-employees were rehired. The question then arose as to whether these rehired employees would be eligible for pensions. The union contended they were eligible and threatened to strike if pensions were not granted to them.

The impartial arbitrator of the private bus industry in New York ruled that the former conductors should receive pensions, but that each man must repay to the company the severance allowance, which averaged $2,000 each, in four annual installments. The union accepted the arbitration award, although some members were not happy over the repayment of the termination allowance.

Employees Vote for Nonrestricted Hospital Plan

Members of the Illinois Central Hospital Department have been receiving virtually unlimited medical care for $4.50 a month. Faced with a threatened annual deficit of $826,000 because of rising costs, the board of the hospital department decided that it would be necessary to raise the contribution rate or curtail the services provided. The board, which operates the department, is composed of four management and four labor representatives, together with a chairman who is a vice-president of the Illinois Central Railroad. It held a referendum to determine whether (1) the members wished to have the same contribution rates continued but with limited service or (2) to increase the contributions from $4.50 to $6.30 a month and continue the present unlimited medical service. Of the 25,647 employees voting, 24,404, or 95%, voted for the continuance of the present plan, with the higher rates.

Retirees under UAW-Negotiated Plans

The CIO United Automobile Workers' union reports that as of October 1, 1953, 33,395 workers have retired under pension plans negotiated with the UAW. Breaking this figure down according to type of retirement, 30,932 had retired under the normal retirement provisions, 664 had taken early retirement and 1,799 retired under the disability provisions.

Among the companies with the largest number of retirees are:

Chrysler Corporation	2,055
Ford Motor Company	7,686
General Motors Corporation	9,109
Studebaker Corporation	788

Telling the Employee about Benefits

"Retirement from Kimberly-Clark—Another Doorway" is the title of a new twenty-eight-page booklet for Kimberly-Clark employees. It stresses preparation for retirement, rather than the details of the retire-

ment plan itself. The fundamentals of the plan are, however, given in the back of the booklet in the form of questions and answers. The booklet is profusely illustrated with photographs, showing how employees are using their leisure time after retirement. A pocket in the back cover contains a small pamphlet giving the names and addresses of retired employees and the dates of their birthdays.

* * *

General Electric has also published a new booklet, "Program for Security," to acquaint employees with the plans which the company has created for their security. Each page is illustrated with two cartoons to bring out the most important features of the individual plan. Enclosed with this pamphlet is a smaller one, "My Personal Security Program Inventory." This lists the various forms of financial security programs that the employee might have developed. The booklet has been prepared for the purpose of helping the employee keep a record of his own financial security program, as well as his participation in GE benefit plans.

Thrift and Investment

A contributory incentive stock plan for employees of the Union Oil Company of California and certain wholly owned subsidiaries was approved by the shareholders on April 13, 1954.

The plan provides for company contributions of 3% of operating profits before taxes, with certain restrictions. Eligible employees may contribute from 2% to 5% of basic compensation. The company's contribution will be distributed to the employees' accounts on the basis of their contributions. These funds will be turned over to a bank trustee, which will invest them in company common stock bought on the open market. The shares and funds allocated to the employee will be held by the trustee until he leaves the company or the trustee is instructed by the member to make a complete or a partial distribution. The employee member may withdraw partially or wholly the shares bought by his own and company contributions under specified conditions, but only if he has participated in the plan at least three years. Otherwise he may only withdraw stock purchased with his own contributions.

* * *

Several other stock purchase plans have been proposed within the past several months. Effective April 1, 1954, Fairbanks, Morse & Company, Chicago, has made available 100,000 shares of common stock for sale to employees who are twenty-one years of age or over and have at least one year's service. The stock is offered to employees at 15% less than the closing price of the stock on the day on which the employee's application is received in the company's Chicago office. The minimum block of stock an employee may purchase is five shares; the maximum is one hundred shares. The employee has at least two years in which to purchase the stock, either by lump sum, by cash installments or by regular payroll deductions.

* * *

Minnesota Mining and Manufacturing Company stockholders on May 12 approved stock option plans for employees and executives. Two hundred thousand shares have been reserved for nonexecutive employees and 150,000 for officers and top executives. The term of the option is three years for the nonexecutive employees and five years for executives. The maximum amount of stock a nonexecutive employee may purchase is equivalent to one quarter of his cash compensation for 1953, and the purchase price is 95% of the market value of the stock on the effective date of the plan. The maximum number of shares an executive may buy is 7,500, and the purchase price is the market value of the stock on the date the option is granted.

* * *

Rheem Manufacturing Company has adopted a restricted stock option plan for executives and officers, which was approved by stockholders on April 23, 1954. The maximum number of shares that an individual may purchase is 5,000 in the aggregate with a minimum number of twenty-five shares per year. The option price may not be less than 95% of the closing price of the stock on the day the option is granted. The period of the option may not exceed five years from the date the option is granted, but not more than one year after retirement of the employee.

Increased Benefits

Porter-Cable Machine Company is providing a liberalized hospital benefit for employees, the cost to be borne by the company. The amended plan provides polio insurance, in-hospital expense, out-patient treatment and an increase in hospital room-and-board benefits from $8 to $12 a day.

* * *

A liberalized pension plan has been agreed upon by the Rome Manufacturing Company Division of Revere Copper and Brass, Inc. and the Mechanics Educational Society of America. The amended plan divorces the company pension from Social Security payments. Eligible employees upon retirement at age sixty-five will be entitled to benefits of $1.50 a month for each year of credited service to a maximum of thirty years, or $45 a month, in addition to Social Security.

F. Beatrice Brower
Division of Personnel Administration

Review of Labor Statistics

THE CONSUMER PRICE INDEX for thirty-nine cities was practically unchanged from February to March, according to THE CONFERENCE BOARD. However fractional advances in the housing, clothing, and sundries indexes were enough to offset slight declines in food and housefurnishings and push the all-items index up 0.2%, to reach another all-time high at 184.2 (January, 1939=100). The previous high was last September's 184.1. The index now stands 2.6% above the year-earlier level.

The largest increase of any component over the month was the 0.6% advance in the sundries index. This index, which has generally been characterized by small but steady increases, has reached a new high this month of 186.4—6.0% above the figure for last March. Prices measured by this index include such things as medical, dental, and personal care, drugs, cleaning materials, transportation and reading materials.

The increase of 0.3% in residential rents also brought this index to a new all-time high of 137.3. This component is now 6.5% above the level of last March with increases generally steady over the past year.

The clothing index of 150.6 represents only a fractional increase of 0.2% from the previous month and just one-tenth of a per cent below the figure for a year ago.

Recent increases in gas rates in some cities have caused slight advances in the index for gas. The relatively small changes in gas rates coupled with offsetting decreases in other fuels left the total fuel index unchanged for the month at 142.1.

The food index inched downward from February to March. The 0.1% decrease is practically insignificant, but it represents the second month in a row that food prices have declined, making a total of 0.6% since the relatively sharp increase from December to January. Average food prices are still 0.3% above what they were a year ago.

The only other component to show a decrease was housefurnishings, down 0.2% to 162.4. This index is now 1.4% below the figure of a year earlier. Prices of housefurnishings have generally been slipping a fraction at a time since last March, the high point of 1953.

The purchasing value of the dollar when spent for all items was 54.3 cents (January, 1939, dollar=100 cents). This represents a decrease of 0.2% over the month and a total decline since last March of 2.5%. The consumer's dollar is worth more when spent for shelter than for any of the other groups of items. The purchasing value of the housing dollar was 72.8 cents in March. For food it was only 43.5 cents, housefurnishings 61.6 cents, clothing 66.4 cents, and fuel 70.4 cents.

EMPLOYMENT

Between early March and early April, total civilian employment rose by half a million to reach 60.6 million, and unemployment declined by 260,000 to 3.5 million. These developments were announced jointly by the Departments of Commerce and Labor in the first of a new monthly series, "Combined Employment and Unemployment Releases," being issued to provide an integrated picture of the employment situation.

The 60.6 million figure for April compares with a 60.1 million total of employed persons for the month earlier. This total includes self-employed and unpaid workers who worked fifteen hours or more in family-operated enterprises, as well as wage and salary workers in agriculture and nonagricultural industries. Agricultural employment reflected the usual spring expansion as it rose from 5.9 million to 6.1 million between March and April, although the pickup was smaller than usual. Nonfarm employment showed an advance of almost 300,000, rising from 54.2 million to 54.5 million in April.

The drop in unemployment from 3.7 to 3.5 million, although seasonal, was the first sizeable decrease since the start of the downturn in employment last summer. Most of the decline resulted from the spring upturn in farm and construction work and Easter expansion in retail trade. With these changes, the proportion of all civilian workers out of jobs fell from 5.8% to 5.4%. The current level of unemployment, however, is considerably larger than that reported for April in the years since World War II, except for 1949 and 1950, when the figures were about equal.

Despite the general improvement in the unemployment situation in April, the number of persons out of work for fifteen weeks or more showed no significant change from March. The long-term jobless figure of about one million persons is almost one-third of the unemployment total, as compared with 15% a year ago.

The total civilian labor force, including both em-

ployed and unemployed, rose slightly over the month —to 64.1 million from 63.8 million.

NONFARM EMPLOYMENT

Although the BLS reported a continued drop in factory employment between March and April, this decrease was more than outweighed by seasonal gains in trade, construction and service industries. And the total number of nonfarm jobs rose by 125,000 to reach 47.9 million. Employment in the nonmanufacturing industries rose by 380,000 over the month, with all sectors except mining and Federal Government reporting gains.

As the spring upturn in outdoor activity got under way, construction employment picked up by 100,000, rising to 2.5 million in April. This equaled the previous all-time peak for the month attained last year.

About 140,000 workers were added to retail trade employment because of Easter shopping. And a seasonal gain of about 90,000 workers occurred in service activities, with amusements and recreation responsible for most of the increase.

The termination of the work stoppage on the New York water front outweighed layoffs among railroad workers as transportation employment increased slightly. Employment this April, however, was about 200,000 below year-ago levels in this industry, probably as a result of the continued decline in manufacturing activity.

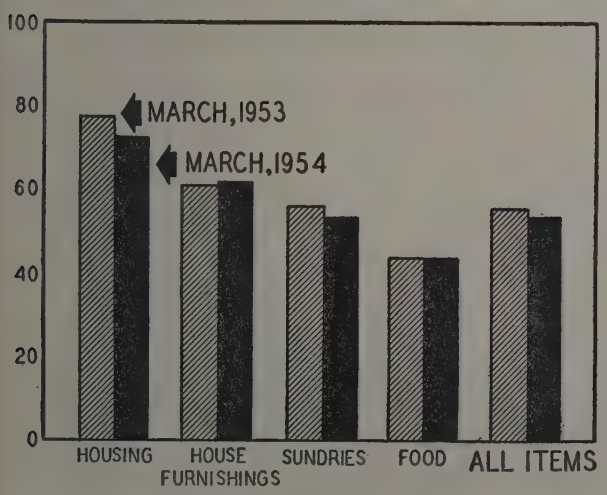
Despite this seasonal increase in nonmanufacturing employment, manufacturing employment continued to decline, dropping about 250,000 to 16 million. Both durable and nondurable groups played a part in the reduction, with the bulk of the loss in durable goods—particularly in the metal and metal products industries. Declines of approximately 20,000 workers were reported in the ordnance, primary and fabricated metals, machinery and electrical machinery groups. In transportation equipment, the decrease was approximately 30,000, resulting largely from layoffs in automobile plants. The total over-the-month decrease in durable goods employment was 150,000, about the same rate of decline reported in each of the three preceding months.

In nondurable goods, employment fell off by about 100,000, but this was in line with seasonal expectations, since most of the drop consisted of post-Easter cutbacks in apparel and leather.

The manufacturing employment level this April was 1.3 million below April, 1953. Virtually all manufacturing industry groups reported sizeable employment losses over the year, the greatest bulk of the decline occurring in durable goods. The largest single loss—210,000—was in transportation equipment, where reductions in automobile plants, railroad equipment manufacturing, and shipbuilding outweighed a net gain in aircraft manufacturing. Other durable goods industry groups which reported over-the-year losses of more than 100,000 were primary metals, machinery, and electrical machinery. But despite these reductions, April, 1954, employment totals in transportation equipment, electrical machinery, and instruments were the second highest recorded for the month in the postwar period.

The textile and apparel industry groups accounted for most of the over-the-month employment decline in the nondurable goods sector, while employment in printing and publishing this April remained at a postwar peak for the month.

Purchasing Value of the January, 1939, Dollar



HOURS AND EARNINGS

The average workweek of factory production workers fell to thirty-nine hours in April, an over-the-month decline of a half hour. Seasonal contractions in the hours of work in textiles, apparel, and leather caused a sharp drop—0.7 hours—in nondurable goods manufacturing. Although the decrease in the workweek in durable goods was comparatively small, it paralleled the employment downtrend in that sector.

The average workweek for this April was nearly two hours below last year's figure, and was the lowest for the month in the past five years. Almost all industry groups reported some over-the-year decreases in hours of work. The largest declines—two and a half hours or more—occurred in primary metals, apparel, rubber, and miscellaneous manufacturing.

A number of industry groups continue to report average workweeks exceeding the forty-hour mark. These were ordnance, machinery, transportation equipment, food, paper, chemicals, petroleum, and stone, clay and glass.

Average hourly earnings of factory production workers were $1.80, including overtime and other premium pay—practically unchanged since last fall.

Consumers' Price Indexes for Ten Cities

NOTE: *These indexes do NOT show intercity differences in price level or standards of living. They show only changes in consumers' prices in each city, which changes may be compared with those for other cities.*

City	Index Numbers Jan., 1939=100			Percentage Changes	
	Apr. 1954	Mar. 1954	Apr. 1953	Mar. 1954 to Apr. 1954	Apr. 1953 to Apr. 1954
Birmingham					
Food	234.9	234.2	230.2	+0.3	+2.0
Housing[1]	165.2	167.4	163.9	−1.3	+0.8
Clothing	152.0	152.7	152.6	−0.5	−0.4
Fuel[7]	126.1	136.8	129.8	−7.8	−2.9
Housefurnishings	170.6	169.5	170.9	+0.6	−0.2
Sundries	159.8	159.6	156.4	+0.1	+2.2
Weighted total	180.2	181.0	177.9	−0.4	+1.3
Boston					
Food	215.5	215.5	214.0	0	+0.7
Housing[2]	131.3	131.3	129.2	0	+1.6
Clothing	141.6	141.5	142.0	+0.1	−0.3
Fuel[7]	178.0	181.4	179.7	−1.9	−0.9
Housefurnishings	148.6	152.2	156.2	−2.4	−4.9
Sundries	173.8	174.2	170.3	−0.2	+2.1
Weighted total	176.7	177.1	175.4	−0.2	+0.7
Chicago					
Food	250.1	246.6	234.7	+1.4	+6.6
Housing[1]	161.3	159.6	141.6*r*	+1.1	+13.9
Clothing	147.8	147.7	146.3	+0.1	+1.0
Fuel[7]	123.9	121.3	120.5	+2.1	+2.8
Housefurnishings	156.0	155.7	159.5	+0.2	−2.2
Sundries	185.5	183.7	179.8*r*	+1.0	+3.2
Weighted total	193.3	191.1	182.3*r*	+1.2	+6.0
Denver					
Food	245.1	239.7	232.2	+2.3	+5.6
Housing[3]	132.5	132.5	129.4*r*	0	+2.4
Clothing	162.5	163.3	163.0	−0.5	−0.3
Fuel[7]	107.6	107.6	106.4	0	+1.1
Housefurnishings	156.1	156.6	157.5	−0.3	−0.9
Sundries	165.1	165.0	163.6	+0.1	+0.9
Weighted total	179.8	178.2	174.8	+0.9	+2.9
Detroit					
Food	244.2	241.8	242.6	+1.0	+0.7
Housing[2]	151.4	151.4	141.4	0	+7.1
Clothing	147.0	147.0	147.0	0	0
Fuel[7]	165.4	165.8	163.4	−0.2	+1.2
Housefurnishings	162.2	164.6	165.4	−1.5	−1.9
Sundries	196.3	194.1	189.5	+1.1	+3.6
Weighted total	192.6	191.4	188.2	+0.6	+2.3
Indianapolis					
Food	250.5	248.1	245.7	+1.0	+2.0
Housing[3]	147.1	147.1	125.7	0	+17.0
Clothing	142.2	142.2	144.3	0	−1.5
Fuel[7]	157.5	160.4	158.3	−1.8	−0.5
Housefurnishings	152.3	154.3	157.5	−1.3	−3.3
Sundries	188.2	187.9	184.5	+0.2	+2.0
Weighted total	189.6	189.2	184.6	+0.2	+2.7
Los Angeles					
Food	215.9	216.1	224.4	−0.1	−3.8
Housing[1]	145.7	146.1	142.1*r*	−0.3	+2.5
Clothing	140.5	141.1	141.3	−0.4	−0.6
Fuel[7]	125.1	125.1	101.5*r*	0	+23.3
Housefurnishings	154.9	155.7	160.3	−0.5	−3.4
Sundries	181.4	180.2	175.0	+0.7	+3.7
Weighted total	177.3	177.1	176.4*r*	+0.1	+0.5
New Orleans					
Food	262.0	259.8	246.6	+0.8	+6.2
Housing[5]	171.0	170.2	158.0	+0.5	+8.2
Clothing	159.7	160.6	156.2	−0.6	+2.2
Fuel[7]	96.3	96.3	93.3	0	+3.2
Housefurnishings	170.6	171.8	173.5	−0.7	−1.7
Sundries	155.0	154.6	148.8	+0.3	+4.2
Weighted total	195.7	194.8	185.8	+0.5	+5.3
New York					
Food	211.5	210.6	213.0	+0.4	−0.7
Housing[6]	118.7	118.7	108.0	0	+9.9
Clothing	151.1	151.8	152.3	−0.5	−0.8
Fuel[7]	137.8	137.7	140.8	+0.1	−2.1
Housefurnishings	158.7	158.8	161.8	−0.1	−1.9
Sundries	200.5	200.4	180.7	*a*	+11.0
Weighted total	177.5	177.2	171.3	+0.2	+3.6
Philadelphia					
Food	222.0	221.0	216.9	+0.5	+2.4
Housing[4]	118.5	118.5	117.7	0	+0.7
Clothing	139.9	141.2	142.5	−0.9	−1.8
Fuel[7]	155.3	159.6	162.3	−2.7	−4.3
Housefurnishings	174.0	177.3	176.0	−1.9	−1.1
Sundries	194.9	194.5	183.3	+0.2	+6.3
Weighted total	182.7	182.8	178.6	−0.1	+2.3

Source: THE CONFERENCE BOARD
[1] Rents surveyed January, April, July, October
[2] Rents surveyed February, May, August, November
[3] Rents surveyed March, June, September, December
[4] Philadelphia rent surveyed March, June, August, November, 1953 and February, 1954
[5] New Orleans rent surveyed March, June, September, October, 1953 and January, April, 1954
[6] New York rent surveyed February, May, August November and December, 1953 and March, 1954
[7] Includes electricity and gas
r Revised
a Less than 0.05%

Consumers' Price Index for Ten United States Cities, and Purchasing Value of Dollar

Index Numbers, January, 1939=100

Date	Weighted Average of All Items	Food	Housing[1]	Clothing			Fuel[2]			House-furnish-ings	Sundries	Purchasing Value of the Dollar
				Total	Men's	Women's	Total	Electricity	Gas			
1953 April	177.6	223.9	125.8	148.3	163.5	135.4	137.7	92.0	105.4	163.2	179.2	56.3
May	178.4	225.0	129.1	148.4	163.9	135.3	134.5	92.0	105.4	163.1	179.3	56.1
June	179.7	228.6	129.4	148.5	164.0	135.3	134.5	92.0	105.4	162.3	179.5	55.6
July	181.1	231.1	130.3	148.3	163.6	135.4	135.4	92.0	105.6	162.4	180.6	55.2
August	182.7	231.3	130.5	148.3	163.6	135.3	136.4	92.0	106.1	161.6	186.2	54.7
September	182.9	231.4	130.9	148.6	164.1	135.5	136.6	92.0	106.1	161.7	186.2	54.7
October	181.6	226.3	132.8	148.6	163.7	135.8	137.0	92.0	106.1	161.8	186.5	55.1
November	181.5	225.8	133.1	148.5	163.5	135.9	137.0	92.0	106.1	162.1	186.6	55.1
December	181.2	224.0	133.3	148.5	163.5	135.9	137.0	92.0	106.1	161.7	187.4	55.2
Annual average	180.0	227.4	129.3	148.4	163.8	135.4	136.7	92.0	105.7	162.4	181.8	55.6
1954 January	182.9	228.1	134.4	147.7	162.4	135.4	139.1	92.0	110.0	161.1	187.9	54.7
February	182.5	225.8	135.3	147.7	162.2	135.5	139.2	92.0	110.0	161.3	188.7	54.8
March	182.9	225.5	135.8	148.2	162.9	135.8	139.1	92.0	109.9	160.7	190.1	54.7
April	183.6	227.0	136.0	147.7	163.1	134.8	138.8	93.0	110.3	159.8	190.9	54.5
Percentage Changes												
Mar. 1954 to Apr. 1954	+0.4	+0.7	+0.1	−0.3	+0.1	−0.7	−0.2	+1.1	+0.4	−0.6	+0.4	−0.4
Apr. 1953 to Apr. 1954	+3.4	+1.4	+8.1	−0.4	−0.2	−0.4	+0.8	+1.1	+4.6	−2.1	+6.5	−3.2

[1] Rents surveyed quarterly in individual cities.
[2] Includes electricity and gas.

Consumer Price Indexes for Cities Surveyed Quarterly

NOTE: *These indexes do NOT show intercity differences in price level or standards of living. They show only changes in consumers' prices in each city, which changes may be compared with those for other cities.*

	Index Numbers Jan., 1939 = 100			Percentage Changes	
	Mar. 1954	Dec. 1953	Mar. 1953	Dec. 1953 to Mar. 1954	Mar. 1953 to Mar. 1954
Cleveland					
Food	239.0	237.6	230.6	+0.6	+3.6
Housing	138.2	137.2	130.6	+0.7	+5.8
Clothing	165.1	165.5	165.1	−0.2	0
Fuel[1]	151.6	151.4	146.5	+0.1	+3.5
Housefurnishings	173.1	172.1	175.0	+0.6	−1.1
Sundries	192.6	190.3	184.2	+1.2	+4.6
Weighted total	189.9	188.6	183.4	+0.7	+3.5
Des Moines					
Food	235.1	234.9	234.9	+0.1	+0.1
Housing	125.8	125.6	125.6	+0.2	+0.2
Clothing	161.3	162.2	161.7	−0.6	−0.2
Fuel[1]	162.9	163.6	163.2	−0.4	−0.2
Housefurnishings	160.7	165.5	164.8	−2.9	−2.5
Sundries	172.3	169.0	164.0	+2.0	+5.1
Weighted total	179.0	178.2	176.4	+0.4	+1.6
Huntington					
Food	221.0	222.3	219.4	−0.6	+0.7
Housing	129.0	129.0	125.4	0	+2.9
Clothing	152.6	151.9	150.0	+0.5	+1.7
Fuel[1]	121.7	121.7	117.5	0	+3.6
Housefurnishings	149.4	149.6	154.3	−0.1	−3.2
Sundries	180.9	174.6	171.6	+3.6	+5.4
Weighted total	178.5	176.7	174.1	+1.0	+2.5
Kansas City, Mo.					
Food	210.5	213.6	211.5	−1.5	−0.5
Housing	119.0	118.3	114.5	+0.6	+3.9
Clothing	153.4	155.2	156.9	−1.2	−2.2
Fuel[1]	130.5	130.5	130.5	0	0
Housefurnishings	152.0	152.0	151.8	0	+0.1
Sundries	187.4	182.9	177.1	+2.5	+5.8
Weighted total	173.7	173.2	170.2	+0.3	+2.1
Lansing					
Food	258.1	254.9	247.8	+1.3	+4.2
Housing	136.9	136.7	133.8	+0.1	+2.3
Clothing	155.5	155.4	155.0	+0.1	+0.3
Fuel[1]	155.1	155.1	152.2	0	+1.9
Housefurnishings	163.7	163.2	164.3	+0.3	−0.4
Sundries	189.7	189.8	184.3	−0.1	+2.9
Weighted total	189.9	189.0	184.7	+0.5	+2.8
Milwaukee					
Food	239.8	242.8	243.4	−1.2	−1.5
Housing	180.7	180.0	178.7	+0.4	+1.1
Clothing	158.7	159.5	159.4	−0.5	−0.4
Fuel[1]	145.6	144.6	144.7	+0.7	+0.6
Housefurnishings	177.0	176.7	178.6	+0.2	−0.9
Sundries	192.2	191.3	183.7	+0.5	+4.6
Weighted total	196.0	196.5	194.5	−0.3	+0.8
Pittsburgh					
Food	233.2	230.3	231.4	+1.3	+0.8
Housing	152.2	150.7	140.9	+1.0	+8.0
Clothing	150.1	150.1	149.8	0	+0.2
Fuel[1]	154.5	154.8	154.4	−0.2	+0.1
Housefurnishings	145.1	147.2	148.1	−1.4	−2.0
Sundries	179.0	179.9	177.8	−0.5	+0.7
Weighted total	185.3	184.5	182.3	+0.4	+1.6
Portland					
Food	237.2	236.6	242.5	+0.3	−2.2
Housing	143.8	143.5	142.4	+0.2	+1.0
Clothing	175.1	174.0	174.7	+0.6	+0.2
Fuel[1]	162.4	159.4	159.7	+1.9	+1.7
Housefurnishings	154.1	152.4	153.4	+1.1	+0.5
Sundries	160.7	160.2	158.2	+0.3	+1.6
Weighted total	182.5	181.8	182.8	+0.4	−0.2

[1] Includes electricity and gas.

Percentage Changes in Indexes for One City

	Weighted Total		Food		Housing		Clothing		Fuel & Light		Housefurnishings		Sundries	
	Dec. 1953 to Mar. 1954	Mar. 1953 to Mar. 1954	Dec. 1953 to Mar. 1954	Mar. 1953 to Mar. 1954	Dec. 1953 to Mar. 1954	Mar. 1953 to Mar. 1954	Dec. 1953 to Mar. 1954	Mar. 1953 to Mar. 1954	Dec. 1953 to Mar. 1954	Mar. 1953 to Mar. 1954	Dec. 1953 to Mar. 1954	Mar. 1953 to Mar. 1954	Dec. 1953 to Mar. 1954	Mar. 1953 to Mar. 1954
Evansville, Ind.	+0.1	+2.7	+0.2	+1.6	0	+1.9	+0.1	+0.5	0	−1.1	−1.2	−1.3	+0.4	+6.6

Source: THE CONFERENCE BOARD

Consumer Price Index for Thirty-nine Cities, and Purchasing Value of the Dollar

Index Numbers, January 1939 = 100

Date	Weighted Average of All Items	Food	Housing[1]	Clothing			Fuel[2]			Housefurnishings	Sundries	Purchasing Value of the Dollar
				Total	Men's	Women's	Total	Electricity	Gas			
1953 March	179.5	229.1	128.9	150.8	167.5	136.6	140.9	93.4	104.0	164.7	175.9	55.7
April	179.4	227.4	128.9	150.7	167.4	136.4	140.7	93.4	104.2	164.5	177.8	55.7
May	180.2	228.5	131.0	150.8	167.8	136.4	138.6	93.4	104.3	164.5	178.2	55.5
June	181.2	231.3	131.3	150.9	167.9	136.4	138.5	93.4	104.6	164.0	178.5	55.2
July	182.3	233.2	131.9	150.8	167.8	136.4	138.9	93.4	104.7	164.0	179.6	54.9
August	183.7	234.0	132.5	150.8	167.8	136.3	139.7	93.4	105.1	163.4	183.3	54.4
September	184.1	234.4	133.1	151.0	168.2	136.5	140.0	93.4	105.1	163.4	183.5	54.3
October	183.3	231.1	134.5	151.1	168.0	136.6	140.4	93.5	105.1	163.6	183.7	54.6
November	183.1	230.0	134.9	151.0	167.9	136.6	140.6	93.5	105.1	163.7	183.8	54.6
December	182.7	228.3	135.2	150.9	167.8	136.5	140.7	93.5	105.1	163.4	184.3	54.7
Annual average	181.6	230.8	131.6	150.8	167.8	136.4	140.1	93.4	104.6	164.0	179.9	55.1
1954 January	184.0	231.2	136.1	150.4	167.1	136.1	142.1	93.5	107.6	162.9	184.7	54.3
February	183.8	229.9	136.9	150.3	167.0	136.1	142.1	93.5	107.6	162.8	185.3	54.4
March	184.2	229.7	137.3	150.6	167.5	136.2	142.1	93.5	107.7	162.4	186.4	54.3
Percentage Change												
Feb. 1954 to Mar. 1954	+0.2	−0.1	+0.3	+0.2	+0.3	+0.1	0	0	+0.1	−0.2	+0.6	+0.2
Mar. 1953 to Mar. 1954	+2.6	+0.3	+6.5	−0.1	0	−0.3	+0.9	+0.1	+3.6	−1.4	+6.0	−2.5

[1] Rents surveyed quarterly in individual cities.

[2] Includes electricity and gas

Over the year, however, hourly pay was up by 5 cents.

Weekly pay, on the other hand, continued to decline as the workweek grew shorter. At $70.20 in April, the average weekly paycheck was 51 cents less than in March, and $1.20 below April, 1953.

In certain industries, a comparatively small drop in the workweek, coupled with increases in hourly wage rates, raised the weekly pay level. In ordnance, food, and petroleum, the gain from year-ago levels was more than $3, while in chemicals and tobacco, the rise was over $2.

MARCH TURNOVER IN MANUFACTURING

March layoffs were high compared with recent years, but the rate was well below the postwar peak for the month reached in 1949. The Bureau of Labor Statistics reported that the factory layoff rate remained virtually unchanged from February—twenty-three per 1,000 employees. Most of the nondurable goods industries reported decreases in layoff rates from February to March; while mixed tendencies existed within the durable goods group.

While layoffs showed no significant change from February to March, the hiring rate in manufacturing plants rose from twenty-five per 1,000 employees in February to twenty-eight per 1,000 in March, with most industries registering gains. Only food, tobacco, apparel, leather, furniture, and miscellaneous manufacturing industries reported decreases in the rate of hiring over the month. Although hiring generally picks up at this time of year, the February-to-March increase was slightly more than usual. The rate in March, however, was the lowest reported in recent years.

The rate at which factory workers were quitting their jobs remained comparatively low in March, reflecting the scarcity of alternative positions. The level of ten quits per 1,000 factory employees has been virtually unchanged since December of last year.

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Executive Development

(Continued from page 220)

ing his immediate subordinates to account for the stewardship of their people. He does this by calling them in periodically and asking them such questions as: "Who is going to take Henry Jones' place when he retires?" "What makes you think he can do the job?" "What is he doing to overcome his weaknesses?" "What have you done to make Jones a better executive?" and "Who would take your place if you were promoted tomorrow?" When held accountable in this fashion, the subordinate shows a renewed interest in development of his people.

These activities as outlined can help create attitudes favorable to executive development. But a favorable attitude is more than these. Above all, it is a deep-seated faith that free enterprise is the most effective motivating force on the job, as well as in the economy as a whole. Proper attitude is a willingness to gamble on people so they can help themselves to grow.

As one department manager said, "My people had been in the habit of running to me with 'Can I do this?' or, 'Should I do that?' I used to make the decisions for them because it was the easy thing to do.

"But from things my boss has said and from watching him operate, I've learned that it's better to let them make their own decisions. Now I ask them, 'What do you think?' and when they tell me, I let them go ahead. A man sometimes learns more from falling flat on his face than from a dozen friendly lectures."

AN ORGANIZATION FAVORABLE TO DEVELOPMENT

If a favorable attitude toward executive development exists in the company, there is usually ready acceptance of the need to build an organization structure which will help provide challenging opportunities and encourage growth. Some organization principles that are often considered include the following:

1. Decentralization of authority and responsibility
2. Proper grouping of activities
3. Clear definition of responsibilities
4. Establishment of job relationships
5. Maintaining flexibility in the organization

1. Decentralization of Authority and Responsibility

Decentralization requires that both authority and responsibility be placed as close to the scene of action as possible. Decentralization can take place in a single-plant single-product operation as well as in a multiplant multiproduct company. In essence, decentralization helps make every member of the management group the boss of his own small unit. Within the framework of over-all policies, it makes him responsible and gives him authority for what goes on in his unit. Since it gives every manager the strongest motives for doing his best, decentralization also becomes a major tool in developing men.

For example, in one medium-size company with strongly centralized control, the plant manager was required to submit purchase requisitions for approval for everything over $100 to the executive vice-president. All recommendations for pay increases, including those for typists and clerks, had to be approved personally by the president. Under this tight central control, there was little executive growth. As the company grew and expanded, it built several more plants.

The volume of added detail soon grew beyond the physical scope of both the president and the executive vice-president, so they called in a consultant. A reorganization ensued and the company was decentralized.

Under the new set-up, each plant manager and every one in the plant management group was given authority up to the limits of his responsibility to purchase new equipment, make pay increases and do anything else necessary for successful operation. Each line executive was given the staff assistance he needed. Clearly defined policies and standards of performance were set and every man knew that he stood or fell by what he accomplished. His reward in the way of pay and bonus was clearly linked to his achievements. What was the result? Where fresh ideas had been frowned upon, they were now regarded as a natural and welcome reaction of people working close to a situation in which they felt a proprietary interest. At one time, the prevalent attitude toward suggestions was: "What good reasons are there why we shouldn't use this?" After the change, a new idea had to clear only one hurdle: "How can we use this to help our operation?"

Executives who have achieved any measure of success with a decentralized operation attest that there is no greater incentive for releasing the full flow of human energies. This often amounts to converting the development program from hot air to jet propulsion.

2. Proper Grouping of Activities

To operate any business, it is necessary to break down the total task of the organization into activities which can be assigned to individuals. From a developmental standpoint, it is important that the executive be assigned a function made up of activities which are closely related to one another. While this does not preclude the manager's holding down more than one function, if this is the case it does mean that he will be working toward the mastery of logically related activities each time he changes his hat.

Proper grouping of activities is a prerequisite to effective development, because people tend to follow definite patterns in their growth. Logical grouping of activities helps to establish patterns which can be followed in mastery of different parts of one job, or in progression from one job to another.

Placing activities in their proper relationship aids in developing a specialist more readily because each step in his development is built upon all the steps before it. If development of a generalist is the objective, proper grouping of activities again helps. It enables the specialist to proceed most easily from the area of his specialty to other positions, each of which has an increasing amount of job content that is unfamiliar to him. Thus, in his learning he proceeds on a systematic basis from the known to the unknown.

3. Clear Definition of Responsibilities

Grouping activities properly helps management people learn their jobs more easily. This process of improving job performance can be expedited still more if job responsibilities are carefully defined. It stands to reason that before a man can learn to do a job better, he must know what that job is. Many companies spell out responsibilities in a written position description. The position description gives each man a clear picture of his function and the specific duties he must carry out. When the time comes for the superior to decide how well the subordinate is doing his job, the position description sheet becomes the yardstick against which performance is measured. As one vice-president said: "At one time we tried to appraise men in terms of such intangibles as 'character,' 'personality,' and 'cooperativeness.' Now we also look at the list of the man's responsibilities and ask, 'What results does he get in carrying out those responsibilities and how does he get those results?' That forms the basis for our appraisal."

Helping each member of the management group to improve his performance on his present job is generally accepted as the first objective of executive development, as already stated. Closely related to this is the task of preparing men for advancement to larger responsibilities. Executives find they can do a better job of grooming men for promotion if they know what additional knowledge or skills the candidate for advancement will require. Here, again, the job specification is of value in providing a clear picture of what the jobs ahead demand.

Spelling out job responsibilities is clearly important to effective development. Companies with successful programs also point to the necessity for carrying this one step further. And that is to make sure that relationships among the various jobs are very clear.

4. Relationships Clearly Established

A popular song once told mournfully of the plight of "a little lost sheep." The lamb in question calls for no more sympathy than the supervisor or executive who is not quite sure to whom he reports. Here is a controller who reports both to an executive vice-president and a vice-president for finance. His dilemma is as bad as that of the personnel manager who normally reports to the production vice-president, but who is told by the president, "If you have anything really important, you come directly to me."

Many companies feel that these relationships "behind the chart" are necessary because of weak men in the chain of command or to by-pass organizational bottlenecks. Some say this reporting to two bosses "keeps a man on his toes." But they will also admit that the process of reporting to two executives creates confusion in the subordinate's mind when he looks

for somebody to turn to for counsel, guidance and advice in his efforts at self-development.

Staff specialists emphasize that one man has to assume the responsibility if productive counseling and coaching of subordinates is to take place. Otherwise, what is everybody's business becomes nobody's business and development goes by default.

5. Maintaining Flexibility in the Organization

One danger in organization planning is that the structure will become so "set" that it cannot be easily modified. Many companies have found that the rigidly structured organization, which makes no allowance for flexibility, stifles development, particularly in the lower management levels.

This is particularly true in the case of the young man with a great deal of initiative and imagination. Usually he disagrees with the way many things are being done, and often he has excellent suggestions for improvement. Unfortunately, good ideas are frequently unwelcome, and the "ball of fire" may find himself thoroughly dampened. One company takes advantage of this kind of situation by putting the man in charge of the area about which he is most vehement. Once put on his mettle, he usually comes through with flying colors.

Other devices are reported for helping executives to grow beyond their presently assigned responsibilities without creating confusion in the organization while doing it. Some companies have adopted the use of executive-assistant positions as a training device. Others practice extensive job rotation. Some set up groups of selected executives who meet as special committees to study and analyze problems outside their immediate job responsibilities. These range in scope and authority from "junior boards of directors," to "syndicates," and "task forces."

A group may consider everything from the advisability of installing a new production process to the best location for building a new plant. But whatever form these activities may take, they have shown that they can give the executive-in-training an opportunity to learn the other fellow's job and his problems without climbing on his back while doing it.

From a consideration of these principles, it is obvious that organization planning can be a real driving force in the development of executives.

PROVIDING INCENTIVES

The old idea of the carrot on the end of a stick meets with little favor in companies with successful executive development. Most organizations find that executives want to see some definite return in prospect for the extra effort, and under terms and conditions with which the executive is thoroughly familiar.

The real problem in providing incentives, according to many executives, is to find a variety that will appeal to personalities of all types. The simple fact is that what may motivate one person to sustained endeavor may leave another cold. A cafeteria line of incentives may be needed.

Henry Jones and Wilfred Smith

Take the case of Henry Jones and Wilfred Smith. Henry is assistant merchandising manager in the sales department of a multiplant corporation. He has two children, seven and nine years of age. Henry is thirty-five and makes $10,000 a year. He owns a home in the $20,000 bracket and a late-model automobile. His wife has a washing machine and dryer. Henry saves, but it is in the form of insurance and a fund to put his children through college. His cash balance at the bank is rarely over $500.

Wilfred Smith is assistant sales promotion manager in the same company. His financial and family circumstances are almost exactly the same, except that he has three children. In addition, he has a nest egg of $3,000 in the bank which he saved during his war service.

The major difference between the two men is in temperament. Henry Jones is energetic and ambitious. He is on the aggressive side. In his desire to move far and fast, he has gone to college at night to take courses in statistics and marketing. Henry needs little stimulus from the company to spur him beyond the scope of his immediate job.

Wilfred Smith is calm, relaxed and easy going. He is capable and conscientious and does his job well. He is interested in getting ahead, but he needs a battery charge every so often to keep him moving in the direction of his highest abilities.

What kind of incentives will work with Wilfred Smith? What kind with Henry Jones? This is a problem which faces every company concerned with the development of executives. The answer usually involves consideration of some or all of the following:

- Financial rewards
- Nonfinancial rewards
- Creation of vacancies
- Promotion from within

Financial Rewards

The company Henry Jones and Wilfred Smith work for places a good deal of emphasis on financial rewards, using regular and generous salary increments for men who rate high on their performance reviews. This keeps Henry Jones alert and on his toes. He tries particularly hard whenever his boss personally assigns him a job. Wilfred is pleased to get his raises, but he would do a thoroughly satisfactory but uninspired job whether a raise was in prospect or not.

A year-end bonus is also offered to both men, based on a share of the company's profits. Since neither

Henry nor Wilfred connects his bonus directly with the work he does during the year, it has little real value as an incentive. They both look upon it in the nature of a delayed Christmas gift.

Nonfinancial Rewards

The company Henry and Wilfred work for has spent several hundred dollars making their offices more livable. The dismal brown of the walls has been painted over, drapes have been put up and pictures hung. Wilfred feels this creates a certain amount of prestige for him in the eyes of outsiders who visit his office. It makes him more satisfied to stay in his present job.

Henry Jones, on the other hand, hardly notices the redecoration. He spends a good deal of his time transacting business in the offices of other executives, but he scarcely observes whether they have drapes on their windows or pictures on their walls.

Both men some day hope to earn the larger offices, parking and dining privileges which their bosses now enjoy. To Wilfred Smith, particularly, all these things are incentives to work hard, to be patient, to stay and grow with the company. To him they spell security. They make the company a comfortable and pleasant place to work and give him a feeling that he is a cog of some importance among the big wheels.

Henry Jones reacts similarly, but to a lesser extent. To him, these are frosting on the cake. Henry has a hunger for growth that will not be satisfied with tidbits. He looks for an opportunity to earn a bigger job in terms of responsibility, pay and status. To him that is the prize among incentives. Henry soon begins to discover that his own square of ground is becoming well trodden. He wants to find more challenge and opportunity in a larger job. If he cannot find this in his own company, he will look elsewhere.

Creating Vacancies

In providing continuing incentives for executives, a major problem is that of creating vacancies. Much depends upon the growth of the particular company so far as the creation of vacancies is concerned. If it is a dynamic, expanding enterprise, the chief problem may be to find enough executives to fill openings. But the coin is reversed if company growth is slow and turnover is slight or if unfavorable business conditions set in. Then some means must be found to insure that vacancies will occur with healthy regularity. Otherwise, interest in self-development may slow to a walk.

How can vacancies be created? Many companies follow a general rule of compulsory retirement at age sixty-five. To hasten turnover in top positions, a few set sixty as the retirement age. Others have been successful in developing "interim" promotions to specially created training positions, such as "executive assistant" and "assistant to."

Promotion from Within

There is a general feeling that a policy of promotion from within is mandatory if position vacancies are to provide an incentive for those already on the payroll. Some point to the danger of inbreeding if such a policy is too vigorously pursued, but others circumvent this by going outside occasionally to bring fresh blood and a new viewpoint to a key spot.

Perhaps the greatest incentive for a man to grow is that which comes from the job itself. Even simple responsibilities can be made challenging and a stimulus for development. This calls for imaginative, understanding leadership, but many companies show it can be done. If the boss makes sure his people know what they are trying to accomplish, if he encourages them to do their own planning and stand or fall by the decisions they make, then he is helping bring to light fresh and interesting aspects of even the most humdrum job.

These are the forces that insure executive development. Experience indicates that the company which wishes to make a success of this kind of program should begin by developing favorable attitudes toward development among all members of the management group. Proper attention should also be paid to the kind of organization planning that is helpful to development and to the provision of effective incentives. Given these, a tailor-made program of executive development can contribute to the long-term maintenance of a hard-hitting, well-integrated and profitable management team.

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Merit Rating

(Continued from page 227)

Only a few companies with merit rating programs know what their employees think of their programs. Some dissatisfied employees might tell them. But it is difficult for a company to know how much attention to pay to such comments. Thus, in effect, most managements make their own judgments about the value of their rating programs.

A company might decide to continue to rate its employees without knowing their reactions, or without knowing that many of their reactions were on the unfavorable side. There still might be, from management's point of view, good and sufficient reasons for continuing the program. But Ditto is in the happy position of liking its program and of knowing that its employees like it, too.

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Significant Labor Statistics

Item	Unit	1954 Apr.	1954 Mar.	1954 Feb.	1954 Jan.	1953 Dec.	1953 Nov.	1953 Oct.	Year Ago	Percentage Ch Latest Month over Previous Month	La Mo ov Ye A
Consumer Price Indexes											
(*NICB*) All Items	Jan. 1939=100	*na*	184.2	183.8	184.0	182.7	183.1	183.3	179.4	*na*	
Food (b)	Jan. 1939=100	*na*	229.7	229.9	231.2	228.3	230.0	231.1	227.4	*na*	
Housing	Jan. 1939=100	*na*	137.3	136.9	136.1	135.2	134.9	134.5	128.9	*na*	
Clothing	Jan. 1939=100	*na*	150.6	150.3	150.4	150.9	151.0	151.1	150.7	*na*	
Men's	Jan. 1939=100	*na*	167.5	167.0	167.1	167.8	167.9	168.0	167.4	*na*	
Women's	Jan. 1939=100	*na*	136.2	136.1	136.1	136.5	136.6	136.6	136.4	*na*	
Fuel	Jan. 1939=100	*na*	142.1	142.1	142.1	140.7	140.6	140.4	140.7	*na*	
Electricity	Jan. 1939=100	*na*	93.5	93.5	93.5	93.5	93.5	93.5	93.4	*na*	
Gas	Jan. 1939=100	*na*	107.7	107.6	107.6	105.1	105.1	105.1	104.2	*na*	
Housefurnishings	Jan. 1939=100	*na*	162.4	162.8	162.9	163.4	163.7	163.6	164.5	*na*	
Sundries	Jan. 1939=100	*na*	186.4	185.3	184.7	184.3	183.8	183.7	177.8	*na*	
Purchasing value of the dollar	Jan. 1939 dollars	*na*	54.3	54.4	54.3	54.7	54.6	54.6	55.7	*na*	
(*BLS*) All Items	1947-1949=100	114.6	114.8	115.0	115.2	114.9	115.0	115.4	113.7	−0.2	
Employment Status[1]											
Civilian labor force	thousands	* 64,063	* 63,825	* 63,725	* 62,840	62,614	63,353	63,404	—(K)	+0.4	
Employed	thousands	* 60,598	* 60,100	* 60,055	* 59,753	60,764	61,925	62,242	—	+0.8	
Agriculture	thousands	* 6,076	* 5,875	* 5,704	* 5,284	5,438	6,651	7,159	—	+3.4	
Nonagricultural industries	thousands	* 54,522	* 54,225	* 54,351	* 54,469	55,326	55,274	55,038	—	+0.5	
Unemployed	thousands	* 3,465	* 3,725	* 3,671	* 3,087	1,850	1,428	1,162	—	−7.0	
Wage Earners[2, 3]											
Employees in nonagr'l establishm'ts	thousands	*p* 47,925	*p* 47,800	*r* 47,880	*r* 48,147	49,703	49,340	49,663	*r* 49,413	+0.3	
Manufacturing	thousands	*p* 15,965	*p* 16,220	*r* 16,322	*r* 16,434	16,488	16,706	17,017	*r* 17,309	−1.6	
Mining	thousands	*p* 747	*p* 770	*r* 790	*r* 805	809	816	813	*r* 845	−3.0	
Construction	thousands	*p* 2,512	*p* 2,403	*r* 2,356	*r* 2,349	2,521	2,674	2,772	*r* 2,509	+4.5	
Transportation and public utilities	thousands	*p* 4,006	*p* 3,990	*r* 4,039	*r* 4,069	4,240	4,273	4,310	*r* 4,197	+0.4	
Trade	thousands	*p* 10,422	*p* 10,286	*r* 10,310	*r* 10,421	11,310	10,772	10,611	*r* 10,370	+1.3	
Finance	thousands	*p* 2,073	*p* 2,057	*r* 2,044	*r* 2,033	2,064	2,056	2,055	*r* 2,009	+0.8	
Service	thousands	*p* 5,501	*p* 5,407	*r* 5,380	*r* 5,377	5,272	5,303	5,336	*r* 5,483	+1.7	
Government	thousands	*p* 6,699	*p* 6,667	*r* 6,639	*r* 6,659	6,999	6,740	6,749	*r* 6,691	+0.5	
Production and related workers in manu'g											
Employment											
All manufacturing	thousands	*p* 12,561	*p* 12,813	*r* 12,906	*r* 13,002	13,107	13,317	13,627	*r* 13,939	−2.0	
Durable	thousands	*p* 7,274	*p* 7,424	*r* 7,520	*r* 7,616	7,651	7,767	7,941	*r* 8,341	−2.0	
Nondurable	thousands	*p* 5,287	*p* 5,389	*r* 5,386	*r* 5,386	5,456	5,550	5,686	*r* 5,598	−1.9	
Average weekly hours											
All manufacturing	number	*p* 39.0	*p* 39.5	39.6	39.4	40.2	40.0	40.3	*r* 40.8	−1.3	
Durable	number	*p* 39.7	*p* 40.0	40.2	*r* 40.1	40.8	40.6	41.0	*r* 41.7	−0.8	
Nondurable	number	*p* 38.1	*p* 38.8	38.8	38.5	39.3	39.1	39.2	*r* 39.5	−1.8	
Average hourly earnings											
All manufacturing	dollars	*p* 1.80	*p* 1.79	*r* 1.80	1.80	1.79	1.79	1.78	*r* 1.75	+0.6	
Durable	dollars	*p* 1.90	*p* 1.90	1.90	1.91	1.90	1.89	1.89	*r* 1.86	0	
Nondurable	dollars	*p* 1.65	*p* 1.65	*r* 1.65	1.65	1.63	1.63	1.62	*r* 1.59	0	
Average weekly earnings											
All manufacturing	dollars	*p* 70.20	*p* 70.71	*r* 71.28	70.92	71.96	71.60	71.73	*r* 71.40	−0.7	
Durable	dollars	*p* 75.43	*p* 76.00	76.38	*r* 76.59	77.52	76.73	77.49	*r* 77.56	−0.8	
Nondurable	dollars	*p* 62.87	*p* 64.02	*r* 64.02	63.53	64.06	63.73	63.50	*r* 62.81	−1.8	
Straight time hourly earnings											
All manufacturing	dollars	*e* 1.76	1.75	*r* 1.76	1.76	1.74	1.74	1.73	*r* 1.69	+0.6	
Durable	dollars	*e* 1.85	1.85	1.84	1.86	1.84	1.83	1.82	*r* 1.78	0	
Nondurable	dollars	*e* 1.62	*r* 1.62	*r* 1.62	1.62	1.59	1.60	1.59	*r* 1.55	0	
Turnover rates in manufacturing[2]											
Separations	per 100 employees	*p* 3.9	*r* 3.7	3.5	4.3	4.0	4.2	4.5	4.3	+5.4	
Quits	per 100 employees	*p* 1.1	1.0	1.0	1.1	1.1	1.5	2.1	2.7	+10.0	
Discharges	per 100 employees	*p* 0.2	0.2	0.2	0.2	0.2	0.3	0.4	0.4	0	
Layoffs	per 100 employees	*p* 2.4	2.3	2.2	2.8	2.5	2.3	1.8	0.9	+4.3	+
Accessions	per 100 employees	*p* 2.4	2.8	2.5	2.8	2.1	2.7	3.3	4.3	−14.3	

[1] Bureau of the Census. [2] Bureau of Labor Statistics.
[3] The BLS has adjusted its non-farm employment and hours and earnings series to first quarter 1953 benchmark levels. The benchmark level is the total count of workers covered in each industry, and in this instance the data were received from government social insurance programs. The adjustment affects all figures since January, 1951. At the time of publication the only revised data available were for 1954 and April, 1953—a year ago. Estimates for October, November, and December, 1953, are unadjusted, and not comparable.

* The figures for 1954 are a new series based on a revised sampling procedure. T series has been discontinued. Figures for the 1953 months are still in the old s
b Food priced during the week of the fifteenth.
e Estimated *p* Preliminary *r* Revised
(K) Labor Force data for a year ago not comparable with the new series.
na Not available.

Wage Adjustments Announced Prior to May 15, 1954

Company	Union(s)	Number and Type of Employees Affected*	Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Chemicals and Allied Products						
Air Reduction Co. Bound Brook, N. J.	Gas, Coke & Chemical Workers, CIO	63 WE	Date of settlement 2-18-54, retroactive to 10-1-53	$.115 and $.035 inequity adjustments	(1) 3 day paid funeral leave (2) $1.50 meal allowance for 10 hrs. work (3) 40 hours guaranteed per wk. (4) 2 additional holidays (5) Pay for difference in jury pay and wages up to 80 hours per yr. (6) Shift differential of $.06 and $.09	New 1 yr. contract
Wyandotte, Mich.	District 50, UMWA, ind.	14 WE	2-1-54	$.055 plus inequity adjustments	(1) 3 day paid funeral leave (2) Pay for difference in jury pay and wages up to 20 days per yr.	Settlement result of contract expiration Length of contract—1 yr.
A. R. Maas Chemical Co. South Gate, Calif.	Chemical Workers, AFL; IAM, AFL	100 WE (approx.)	1-1-54	$.05 per hr. av. with $.10 per hr. maximum	(1) 1 additional holiday (2) Increased insurance benefits (3) 2½ times for work on holidays	Settlement result of contract expiration Length of contract—1 yr.
Shawinigan Resins Corp. Springfield, Mass.	Chemical Workers, AFL	*n.a.* WE	5-1-54	$.08 across the board; $.01 increase on rotating shift premium; $.05 increase on shift leaders and lead mechanics rate; other minor adjustments of approx. $.0025		Agreement remains in effect until 9-1-57, and thereafter from year to year, unless either party gives written notice of its desire to amend or terminate at least 60 days prior to the automatic renewal date. Wage reopening 16 mos. after effective date and every 12 mos. thereafter
Star Fish & Bone Fertilizer Co. Bridgeton, N. J.	District 50, UMWA, ind.	18 WE	1-1-54 (date of settlement 2-15-54)	$.08 per hr. av.		Settlement result of contract expiration Length of contract—1 yr.
Tropical Paint and Oil Company Cleveland, Ohio	Gas, Coke & Chemical Workers, CIO	36 WE	1-1-54 (date of settlement 2-1-54)	$.02 per hr. av.		Settlement result of wage reopening Contract expires 12-31-54
Construction						
General Contractors Association of Milwaukee Milwaukee, Wis.	Teamsters, AFL	400-500 WE (approx.)	4-1-54	$.05 per hr. increase as result of escalator clause in agreement with Building Trades Employers' Assn.		Settlement resulted from escalator clause in 3 year contract which still has 1 yr. to run
Educational Services						
Columbia University New York, N. Y.	Transport Workers, CIO	*n.a.* WE	1-1-54	Approx. 4⅙%	Improvement in pension plan: 3 years' continuous service before inclusion under plan no longer required	Settlement result of wage reopening Contract runs until 6-30-55
Electrical Machinery, Equipment and Supplies						
AVCO Manufacturing Corp. Richmond, Ind.	IBEW AFL	2,375 WE	3-22-54	$.03 per hr. av.	(1) 1 additional paid holiday (2) 3 weeks' vacation after 15 yrs.	Settlement result of contract expiration Length of contract—2 yrs. Reopening on 12-31-54
Food and Kindred Products						
Coca-Cola Bottling Company of Louisville Louisville, Ky.	Brewery Workers, CIO	64 WE	3-3-54	$6.00 per week av. (or about 7%–8% increase); offset by discontinuance of large Christmas bonuses and change in company uniform arrangement under which company will furnish all uniforms (company formerly paid half cost) while employees will be charged for laundering and cleaning (company formerly paid this charge); works out to cost employee approx. $25 per yr. more than formerly paid	(1) 5 days sick leave per yr. at $7.00 per day (2) Permit employees to draw $60.00 per vacation wk. immediately prior to starting vacation	First contract Length of contract—1 yr.
	None	6 S	3-3-54 (date of	Approx. 3½%	Same as above	
Kraft Foods Company Louisville, Ky. Central Division	Teamsters, AFL	32 WE	1-13-54 (date of settlement 3-16-54)	$.10 per hr. av.		Settlement result of contract expiration Length of contract—1 yr.

Wage Adjustments Announced Prior to May 15, 1954—Continued

Company	Union(s)	Number and Type of Employees Affected*	Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
National Biscuit Co. Interstate	Bakery Workers, AFL	10,667 WE	3-1-54	For hourly-rated employees only, $.055 per hr. av., reflecting increases of $.06 per hr.—male employees; $.05 per hr.—female employees	(1) 3 weeks' vacation after 12 instead of 15 years' service (2) Death-in-family clause to include brothers, sisters, mother-in-law and father-in-law (3) Discontinuation before 1-1-55 of present employee benefit plan; thereafter to pay monthly into the fund established under the Bakery Workers national welfare plan (4) Dressing time allowance, now paid on basis of 15 minutes per day at time and one-half, to be integrated into classification rates	Settlement result of contract expiration Length of contract—18 mos.
Rahr Malting Co. Manitowoc, Wis.	Brewery Workers, CIO	118 WE	11-1-53 (date of settlement 2-4-54)	$4.80 per wk. av.		Settlement result of contract expiration Length of contract—2 yrs
Machinery (except Electrical)						
Whitin Machine Co. Whitinsville, Mass.	Steelworkers, CIO	2,200 WE approx.	1-1-54	No change		Settlement result of contract expiration Contract runs to 1-15-55
Motion Pictures						
Paramount Pictures Corp. Hollywood, Calif.	Musicians, AFL	n.a. WE	1-16-54	5%		Settlement result of contract expiration Length of contract—4 yrs
	Musicians, AFL	46 S	Not indicated	Same as above		
Ordnance and Accessories						
Day and Zimmermann, Inc. Texarkana, Tex. Lone Star Ordnance Division	Chemical Workers, AFL	1,777 WE	2-3-54	$.02 per hr. av.; larger increases granted in four classifications to correct intra-plant inequities	4 hrs. minimum pay guaranteed instead of 2 hrs. for employees reporting to work and finding no work available	Settlement result of contract expiration Length of contract—1 yr
Silas Mason Co. Grand Island, Neb. Cornhusker Ordnance Plant	Chemical Workers, AFL	789 WE	12-15-53 for general wage increase; 1-13-54 for other benefits	$.02 per hr. av.	(1) Double time pay for hrs. worked on the seventh day in a workweek (2) 5 days' notice or 5 days' pay for employees separated due to termination of contract with the Ordnance Corps or any reduction in force (3) Cost-of-living adjustment for each six-month period beginning 6-15-54	Settlement result of contract expiration Contract runs to 12-15-5
Products of Petroleum and Coal						
Lehon Co. Memphis, Tenn.	Cement, Lime & Gypsum Workers, AFL	110 WE	1-18-54	$.02 per hr. av.; adjustments from $.02 to $.10 for approx. 20% of personnel		Settlement result of contract expiration Contract runs to 12-5-55
			1-3-55	Automatic increase of $.01 per hr.		
Printing and Publishing						
Uarco, Inc. Cleveland, Ohio	Paperworkers, CIO	138 WE	2-1-54	$.07 per hr. av., and adjustment in wage inequities in 5 job classifications	Guaranteeing of all 6 paid holidays	Settlement result of contract expiration Length of contract—1 y
United Press Associations Interstate	Newspaper Guild, CIO	n.a. S	3-1-54	Weekly increases granted as follows: $2.50 on wages up to $69.99 $3.00 on wages from $70.00 to $89.99 $3.50 on wages from $90.00 to $109.99 $4.00 on wages from $110.00 to $129.99 $4.50 on wages of $130.00 or more Increase in minimum wage scales for 22 job classifications		Settlement result of r opening of minimum an general increase provision and on arbitration awar Contract runs to 2-28-55

Wage Adjustments Announced Prior to May 15, 1954—Continued

Company	Union(s)	Number and Type of Employees Affected*	Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Professional, Scientific, and Controlling Instruments						
Minneapolis-Honeywell Regulator Co. Chicago, Ill. National Regulator Division	UE, ind.	500 WE (approx.)	3-1-54 (except new maternity benefits, which apply to those on payroll for 9 mos. previous to delivery)		(1) 4 hrs. holiday pay at straight time (plus night shift premium if any) for last 4 hrs. of each shift on Dec. 24 and Dec. 31 (2) Vacation benefits changed for employees with 1 yrs.' seniority who worked less than 36 weeks in a year—from ½ of vacation benefits in schedule to full benefits reduced by 3% for each week less than 36 worked (3) For vacation eligibility, seniority computed as of July 1 (4) Starting salaries increased in certain labor grades and after certain number of weeks worked (5) Insurance plan liberalized: a. Daily hospital benefits increased from $7.00 to $12.00 b. Full maternity benefits for female employees c. Surgical schedule increased from $150 to $200 d. Some limitations removed from obstetrical benefits and miscellaneous hospital charges e. In-hospital medical fees $3.00 per day f. Full coverage for dependents g. All employees eligible for weekly indemnity payments after 6 months' seniority	Settlement result of reopening of contract Contract runs to 3-1-55
Sperry Gyroscope Company Great Neck, L. I., N. Y. Division of Sperry Corp.	Engineers & Scientists, ind.	2,250 S	3-15-54	2½% increase plus inequity adjustment; cost-of-living allowance included in base salary and escalator clause discontinued; 2½% increase effective in 1955	(1) Eligibility age for retirement plan reduced (2) Vacation pay based on average hours worked by unit (3) Improved welfare plan (4) $1,000 life insurance continued for those retiring employees who have had 15 yrs.' continuous service (5) Payment for unworked Saturday holidays to exempt personnel (6) Increased benefits under tuition plan (7) Part payment by company of dues for technical society membership (8) Night shift bonus to be included in holiday pay (9) Increase in premium pay for holidays worked	Settlement result of contract expiration Length of contract—2 yrs.
Public Utilities						
Equitable Gas Co. Pittsburgh, Pa.	District 50, UMWA, ind.	451 WE	12-16-53	$.084 per hr. av.	(1) Service bonus awards of U.S. Savings Bonds: $100 for 25 yrs.; $200 for 35 and 45 yrs. (2) Shift differential increased from $.05 to $.08	Settlement result of contract expiration Length of contract—1 yr.
	District 50, UMWA, ind.	50 S	Same as above	$18.50 per mo.	Same as above plus lowering of workweek from 39½ to 37½ hrs. for 22 clerical employees	Same as above
	IBEW, AFL	362 S	11-1-53	4%		Settlement result of wage reopening Length of contract—2 yrs

Wage Adjustments Announced Prior to May 15, 1954—Continued

Company	Union(s)	Number and Type of Employees Affected*	Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Stone, Clay and Glass Products						
Missouri Portland Cement Company St. Louis, Mo.	Cement, Lime & Gypsum Workers, AFL	505 WE	2-1-54	$.024 per hr. av.	(1) Pay for holidays worked increased to 2½ times from double time (2) Pay for jury duty (3) Paid overtime lunch period increased from 15 to 30 minutes	Settlement result of contract expiration Length of contract—1 yr.
Independence, Mo.	Cement, Lime & Gypsum Workers, AFL	185 WE	Same as above	$.026 per hr. av.	Same as above	Same as above
Young & Greenawalt Co. East Chicago, Ill.	Gas, Coke & Chemical Workers, CIO	26 WE	1-25-54	$.03 per hr. av.		Settlement result of contract expiration Contract runs to 1-25-55
Textile Mill Products						
Forstmann Woolen Co. Passaic, N. J.	Textile Workers, CIO	2,100 WE	3-25-54	Agree to waive next $.02 per hr. cost-of-living increase	Hospitalization insurance increased to $12 for employees	Settlement result of contract expiration Length of contract—2 yrs. to 3-15-56 Reopening once a yr. by either party
New London Mills New London, Conn.	Paperworkers, CIO	137 WE	2-12-54	$.03 per hr. across the board; $.08 maintenance adjustment; $.02 extra for each year under 3; $.03 extra for third year	(1) One additional holiday (2) 4 additional hrs. in vacation pay (3) Full payment of Blue Cross; Connecticut Medical Service; life, accident, sickness insurances	Settlement result of contract expiration Length of contract—3 yrs. Reopening on 12-14-54 and 12-14-55
	Not indicated	21 S	2-12-54	4%, with minimum of $.06 per hr.	(1) One additional holiday (2) Full payment of Blue Cross; Connecticut Medical Service; life, accident, sickness insurances	Settlement result of wage reopening Length of contract—1½ yrs. Reopening on 12-14-54
Transportation						
American Airlines, Inc. Interstate	Transport Workers, CIO	6,100 WE&S (approx.) (maintenance and stores employees)	1-1-54	$.13 per hr. across the board		Settlement result of contract expiration and arbitration Contract runs to 3-4-55
Philadelphia Suburban Transportation Company Upper Darby, Pa.	Transport Workers, CIO	206 WE	1-1-54	$.06 per hr. av.	(1) 4 weeks' vacation after 35 yrs. (2) Pensions to $14 per yr. of service, guarantee of $125 per mo. minimum pensions plus primary social security payments (3) Night differential increased $.06 per hr.	Settlement result of contract expiration Length of contract—18 mos.
Transportation Equipment						
Lockheed Aircraft Corp. Alamogordo, N. M. Missile Systems Div.	IAM, AFL	25 WE & S (approx.)	1-14-54	$.05 per hr.; minimums and maximums of selected labor grades increased by $.07 per hr., including $.02 cost-of-living adjustment frozen into the rate range; leadman bonus increased to $.20 per hr. from $.15	(1) Revised group insurance benefits include increase in surgical benefits to a maximum of $350 from $300; increase in hospital allowance to $16 per day; increase in laboratory fees, from $25 to $50 (2) Life insurance policy with a death benefit of $25,000 for flight test personnel (3) 3 wks.' vacation for 15 yrs.' service 2 wks.' vacation for more than 1 yr.	First contract which runs until modified, amended, or terminated
Burbank, California California Div.	IBEW, AFL	90 WE	1-14-54 (date of settlement 2-19-54) $-1-54 for insurance benefits]	$.12 per hr. av. for maintenance electricians, "A" & "B," including $.02 per hr. cost-of-living allowance frozen into rates; $.07 per hr. for maintenance electricians, "C," including $.02 per hr. cost-of-living allowance frozen; leadman bonus increased to $20 from $15	(1) Liberalized insurance plan includes increase in surgical schedules' maximum to $350 from $300; increased hospital allowances—up to maximum for nonward of $16 per day; increased Xray and laboratory fees, from $25 to $50 (2) 3 weeks' vacation for 15 years (3) Revised cost-of-living clause	Settlement result of contract expiration Length of contract—1 yr. Reopening from 12-5-54 through 12-19-54

Wage Adjustments Announced Prior to May 15, 1954—Continued

Company	Union(s)	Number and Type of Employees Affected*	Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Ryan Aeronautical Co. San Diego, Calif.	UAW, CIO	3,200 WE	3-8-54	$.05 per hr. plus freezing of $.02 of the $.03 cost-of-living allowance	Increased vacation and sick leave to 96 hrs. from 80 hrs. for 1 yr. employees, and to 168 hrs. from 136 hrs. for 15 yr. employees; others unchanged	Settlement result of company's reopening in advance of contract date Contract runs to 6-5-55
Wholesale and Retail Establishments						
Brunswig Drug Co. Los Angeles, Calif.	Longshoremen & Warehousemen, ind.	159 WE	3-1-54	$.09 per hr. plus $.01 after 7-1-54	3 weeks' vacation after 15 yrs.	Settlement result of wage reopening Length of contract—2 yrs. Reopening from 12-16-54 through 12-30-54
L. A. Drug Co. Los Angeles, Calif.	Longshoremen & Warehousemen, ind.	120 WE	3-1-54	$.10 per hr. av.	3 weeks' vacation after 15 yrs.	Settlement result of wage reopening Contract runs to 2-28-56 Reopening from 12-1-54 to 1-1-55
Miscellaneous Manufacturing Industries						
Talon, Inc. Meadville, Pa.	Federal Labor Union, AFL	1,400 WE	1-8-54	$.03 per hr. av.; a group of hourly paid employees received $.05 additional beginning with fifth yr. of service; automatic increases of $.03 per hr. effective 1-55; $.02 per hr. effective 6-55	$30 additional vacation pay beginning with 15 yrs.' service	Settlement result of contract expiration Length of contract—2 yrs.

*WE, wage earner; S, salaried employee; *n.a.* not available.
**Fringe benefits include all benefits supplemental to wages received by workers at a cost to employers.

Executive Health

(Continued from page 233)

cardiogram, heart studies may include ballistocardiograms and exercise tolerance tests.

Many cooperators, in describing their programs, add that additional tests are given where a need is indicated, whether the examination is limited or comprehensive in scope.

Occasionally the question arises as to who will pay for any additional tests, if the need for them is indicated. Only a few companies in this survey indicate that tests which are in addition to the basic examination must be at the executive's own expense.

Factors that Determine Choice

Companies that use the more limited form of physical examination offer as their reasons:

- Comprehensive examinations are more expensive.
- The purpose of the health program is to make the executive more health-conscious—to alert him to the need for checking on his physical condition. The purpose of the limited examination is to give him a start in that direction, and to be a yearly reminder to him.
- This type of examination is sufficient to reveal most physical ailments or, at least, to indicate the need for more tests for further diagnosis.
- Company facilities are not adequate for extensive laboratory tests and X rays. When limited examinations indicate need for further tests, the work is done on the outside.
- The executive examination is patterned after that for other employees, which may necessarily be more limited. Companies may not want to show any difference in treatment between the two groups, and detailed diagnostic procedures are impossible for large numbers of employees because of lack of facilities and expense involved.

Advocates of the comprehensive examination say:

- Unless a diagnostic examination is given, the patient may gain a false sense of physical well-being. One industrial physician comments: "The person who receives a superficial examination and is pronounced okay may think he has a good health diploma. Actually, however, he may have a hidden condition that only a comprehensive type of examination can reveal."
- Executive groups include many persons in and past middle age when some diseases first appear. Therefore, it is important to have enough diagnostic tests to discover any incipient ailments.
- If the examination program is designed to protect what is already invested in the executive, it does not make sense to quibble about the expense of an extra laboratory test or X ray.
- Examinees may hesitate or neglect to mention

what they believe to be minor ailments, but which really may be serious. Comprehensive examinations are likely to reveal these conditions.

WHO GETS EXAMINATION REPORTS?

Whether examination results are to remain confidential between the examinee and the medical examiner or whether other persons are to have access to them is a problem for some establishments. In some cases the examinee asks that his personal physician be given a report. The traditional doctor-patient relationship is, however, still maintained in such cases.

Another doctor-patient relationship considered in these programs is that between the examinee and the company doctor when the examination is conducted outside the company. Companies may require that reports be sent to the company doctor. But some executives feel that even though this continues a doctor-patient relationship, it breaks the confidential aspect to have anyone connected with the company informed about the findings.

To avoid confusion on this issue, cooperators were asked to be specific in reporting practices on confidential findings. Those offering examinations by outside sources were asked to designate whether a company lay person, a company physician, or both, receive reports. Others using company medical examiners were asked whether company officers receive the reports.

The most common practice is for the report to remain secret between the executive and the examining doctor.

The following is the practice of eighty-six companies where outside doctors do the examining:

	Companies	
Person Receiving Report	*Number*	*Per Cent*
Examinee only	38	44.2
Examinee and company doctor	20	23.3
Examinee and company officer	13	15.1
Examinee, company officer and company doctor	15	17.4
	86	100.0

Fifty-eight companies that use company staff doctors for the examinations report the following:

	Companies	
Person Receiving Report	*Number*	*Per Cent*
Examinee only	39	67.2
Patient and company officer	19	32.8
	58	100.0

As the tables show, the report usually remains secret between the executive and the examining doctor. When someone in the company receives the report from outside examiners, it is the company doctor in 40.7% of the companies, and a company officer in 32.5% of the cases. It seems to be usual practice to have the company doctor, where there is one, get the report in addition to the company officer.

The report on examination findings that goes to someone other than the examinee is not necessarily a detailed medical report. Even for the executive it may be only a verbal consultation with the doctor, if he desires.

The following methods are used to report the examination findings to the company:

- A short summarized account, in layman's language, of the person's present physical condition.
- A complete medical description of the examinee's present condition.
- A detailed description of the examinee's medical history and present physical condition.
- Merely a recommendation for management to use in assigning work duties, vacation time, etc., to the executive.

The most common method revealed by sixty companies is to give a summarized report in layman's language describing only the patient's present condition. This practice is followed by 36.7% of the companies. A complete medical description of the patient's present condition is revealed by 30% of the companies. The recommendation type of report is the least common (15%). The complete history and present conditions are given in 18.3% of the cases.

SHOULD FINDINGS BE REVEALED?

Some cooperators say they request these reports because of various reasons. For one thing, the information safeguards the company in assigning job duties and promoting personnel. Also, a plant physician may be placed in a difficult position if the report is not given an officer. If he knows, for example, that a person is physically unable to qualify for a promotion, he may be forced to withhold information which the company should have. Other companies believe that since they assume a financial obligation they are entitled to the results. And lastly the company wants a chance to ease the work load of the less healthy.

A principal reason given by those against revealing findings is that the health program is designed to preserve and maintain the health of executives. A knowledge that findings will be made known keeps many from participating and, consequently, defeats the purpose of the program.

Others maintain that the examinations are given to encourage executives to watch their health, not to judge their physical capabilities. Therefore, they say, there is no purpose in asking for the reports.

Still others insist that the findings are a personal matter which executives should not be requested to divulge.

DORIS M. THOMPSON
Division of Personnel Administration

In the August Business Record

The Outlook for State and Local Governments—Expenses at all levels of government are high—to say the least. Right now the spotlight is on the plight of state and local units. For them the problem of finding the money they need has become increasingly acute. There is the matter of taxing power, for example. Who is to tax whom for what and in what way? Also, is the Federal Government obtaining a stranglehold on state and local finances and functions through the grant-in-aid system? In short, what are the proper roles of federal, state and local governments and how can they be attained? A special eighteen-page feature.

How Satisfactory the Statistics?—The 117 companies participating in this month's business opinion survey feel that a lack of timeliness is the main defect of government economic and industry statistics. Their suggestions for better coordination of trade association and government series, and for revamping or discontinuing old series and adding new ones, are summarized in "How Government Statistics Can Be Improved."

Unemployment Compensation—Because "unemployment insurance is a valuable first line of defense against economic recession," President Eisenhower would like to see maximum benefit payments raised, and their duration increased to a uniform twenty-six weeks. But the Senate recently defeated an attempt to make these changes federal law, leaving any action up to the states. What is the unemployment compensation picture now? What changes would the various states have to make to carry out the President's recommendations? How would these changes affect the individual claimant, the over-all economy? The facts, figures and philosophies of unemployment insurance programs are discussed in "Height and Width of Unemployment Benefits."

Plateau Predicted—Despite the "generally bullish atmosphere" as business moved into the second half of 1954, most forecasts were for an economic plateau. The indications of an impending upturn, which could be seen in construction and consumer goods markets, had to be weighed against the uncertain state of instalment credit and government defense spending. It is probably an analysis of these last two factors which led to the "Outlook Consensus: Stability."

Studies in Business Policy

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Don't Keep 'em Guessing.....

The fashion of "keeping 'em guessing" has gone out of style. Nowadays, the experts advise—whether it's love or industrial relations—to let the other person know what's going on.

Companies that have decided on such a policy of employee communication, and carried it out, believe it pays off. Greater employee interest and loyalty, higher individual productivity, and more teamwork and democracy throughout the company are among the fruits of such a policy.

But the art of communication is a difficult one to practice. It embraces a philosophy which is at odds with older management concepts at many points. And even with the best of intentions, the company that wants effective communication still has many hurdles to clear. For instance, bulletin board messages aren't communications until they get read; the speech that is not listened to communicates nothing.

So good intentions must be backed up by a thorough knowledge of this art and a skillful use of techniques. The Conference Board's report, "Communicating with Employees," is a valuable sourcebook for the company that wants to improve its communications. The subject is viewed from a broad perspective, and basic questions involved in effective communication are considered. The various media in current use in American companies are discussed in detail. You'll find "Communicating with Employees" in your files or write the Board for an extra copy.

COMMUNICATING WITH EMPLOYEES *Studies in Personnel Policy, No. 129*

Communicate